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# USSR Report

CONSUMER GOODS AND DOMESTIC TRADE

No. 40

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# USSR REPORT

## CONSUMER GOODS AND DOMESTIC TRADE

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## CONSUMER GOODS PRODUCTION AND DISTRIBUTION

### ACHIEVEMENTS, GOALS OF BELORUSSIAN COOPERATIVES

Moscow SOVETSKAYA TORGOVLYA in Russian 2 Mar 82 p 2

[Article by Chairman of the Board of the Belorussian SSR Union of Consumers' Societies K. Terekh: "We Are Strengthening Word by Deeds"]

[Text] Having joined in the socialist competition for the successful implementation of the decisions of the 26th CPSU Congress, the cooperative workers of Belorussia came forth with an initiative aimed at the twofold increase of commodity resources during the 11th Five-Year Plan by the development of subsidiary farms, the increase of purchases of agricultural products and the expansion of the production of foodstuffs and industrial goods.

They have set themselves the task to produce during the five-year plan consumer goods worth 2.4 billion rubles.

The initiative of the Belorussian cooperative workers was approved by the Central Committee of the Communist Party of Belorussia and the Board of Tsentsosyuz.

What are the results of the first year of the five-year plan?

The Board of the Belorussian Union of Consumers' Societies back at the beginning of the five-year plan elaborated specific measures aimed at the fulfillment of the outlined program. The renovation of enterprises of cooperative industry and the construction of new production capacities for the output of consumers goods are envisaged in them. Cost accounting combines were set up on the basis of small shops which produce food products, as well as bakeries. This made it possible to improve engineering and technical service, to raise the level of the organization of the matter and to increase labor productivity.

The questions of expanding the production base began to be solved better and more efficiently. Last year alone seven confectionary shops, eight shops for the production of sausages and six for the production of nonalcoholic beverages were built and renovated, three facilities for the bulk storage of flour were put into operation and a modern bakery was turned over for operation.

Even a simple listing of what was done by our cooperative workers on the development of industrial production would take very much space. I will merely say that

in all consumer goods worth 334 million rubles (in retail prices) were produced, or 13.6 percent more than in 1980. A significant increase was achieved in the production of sausages and confectionary items, fish products, canned meat, fruit and vegetables and garments. More than 6,000 tons of meat, including a weight gain of 3,800 tons, were obtained by means of the fattening of livestock and the raising of poultry. These indicators are nearly threefold higher than the 1980 level.

When we began to work on our own food program, in the majority of rayon unions of consumer societies and rayon consumer societies of the republic there were practically no subsidiary farms. But we were confident that the staff of Belorussian cooperative workers was capable of organizing the new matter and that this task was within their power.

I want to stress: we were not mistaken. In each rayon they approached the organization of subsidiary farms on the basis of their own potentials.

In Glubokskiy Rayon, for example, they embarked on the path of building a new hog fattening yard on the basis of the use for fodder of the industrial waste products from the local cooperative brewery. Here 1,000 hogs will be housed simultaneously. In many other rayons the cooperative workers have purchased old livestock barns at kolkhozes and sovkhoses. But we saw the main means of intensifying meat production in the creation of small farms and fattening centers at each procurement office, each public dining enterprise, each rural consumer society, at the bakery and even at trade bases.

We proceeded on the basis that each collective should make what contribution it can to the solution of the food problem.

The cooperative workers of Shchuchinskiy Rayon of Grodnenskaya Oblast are carrying out the fattening of livestock skillfully. In this rayon all the consumer societies, the rayon procurement office, the combine of cooperative industry, the public dining association and the trade base are engaged in the production of pork. The branched network of fattening yards is making possible to use most completely for fodder various industrial waste products.

And here is the result: 800 hogs were removed from fattening and about 100 tons of pork was produced--5.2-fold more than in 1980. The average weight of a hog removed from fattening in the case of an average daily weight gain of 300 g was increased to 125 kg. The subsidiary farms provided a profit of 16,000 rubles.

The cooperative workers of Volkovysskiy, Korelichskiy, Lidskiy, Iv'yevskiy and many other rayons of Grodnenskaya Oblast are zealously carrying out the fattening of livestock. The executives of this oblast union of consumer societies (the chairman of the board is M. A. Khartunik) are showing constant concern about providing each farm not only with fodders, but also with feed-preparing units and other devices for the procurement, preparation and distribution of fodders. Mechanization is making it possible to reduce the expenditures per unit of weight gain and to ensure the profitability of the subsidiary farms.

The collectives of the Soligorskiy and Myadel'skiy Rayon Unions of Consumer Societies of Minskaya Oblast and of the Petrikovskiy and Rogachevskiy Rayon Unions of Consumer Societies of Gomel'skaya Oblast achieved positive results in the organization of the fattening of livestock.

However, things are not going everywhere as one would like. The conditions for the housing of livestock have not been created at the farms of the Ivanovskiy Rayon Union of Consumer Societies of Brestskaya Oblast and of the Shumilinskiy Rayon Union of Consumer Societies of Vitebskaya Oblast. Here and there fodders are being consumed inefficiently, which is leading to a high production cost of meat and, as a result, to direct losses.

The successes, like the shortcomings, in this important matter depend on people, on their attitude toward their duties. Let us take for comparison the Baranovichskiy and Luninetskiy Rayon Unions of Consumer Societies. There are approximately the same number of livestock on the private plots of both rayons, but the Baranovichskiy Rayon purchasing agents bought last year from the population twofold more meat than did the Luninetskiy Rayon purchasing agents. The picture with the fattening of animals is approximately the same.

The "diversity" in the results of the work during the year occurs not only in these two rayons, but also in oblasts. Whereas the Gomel'skaya, Grodnenskaya, Minskaya and Mogilevskaya Oblast Unions of Consumer Societies ensured the fulfillment of the program of the increase of commodity resources, which was set for 1981, the Brestskaya and Vitebskaya Oblast Unions of Consumer Societies did not cope with this task.

The "secrets" of the successes of some and the failure of others lie in the level of management, in the different approach to a specific matter. In Minskaya Oblast, for example, much attention is being devoted to the construction of procurement center-stores, last year alone 60 of them were opened. Active barter takes place at them: the population delivers surpluses of agricultural products, while the deliverers purchase the goods they need. The method of accepting products at home, which is convenient for the population, is being used extensively, salespeople, cooks and drivers are taking part in procurement. But in Brestskaya Oblast the workers of many stores and public dining enterprises do not take part in procurement, although the number of staff purchasing agents is clearly inadequate, the question of stimulating the deliverers here has also not been settled.

It is possible to say much about the problems in procurement. They lie once again in the people, in the level of their work, in good discipline and consciousness. Purchasing agent K. Sh. Lifshits of the Kalinkovichskiy Rayon Union of Consumer Societies and purchasing agent I. P. Kashlyak of the Lyubanskiy Rayon Union of Consumer Societies last year purchased respectively 250 and 171 tons of meat. Each of them purchased more meat than the Loyevskiy and Gorodokskiy Rayon Unions of Consumer Societies. Here they are, our reserves and possibilities!

Recently at the expanded meeting of the board of the republic union of consumers' societies we summarized the work that had been done.

The industrial enterprises, subsidiary farms and procurement organizations had produced and purchased goods worth more than 440 million rubles--10 million rubles more than envisaged by the comprehensive program, including more than 302 million rubles by means of their own production from local raw materials.

The second year of the 11th Five-Year Plan is under way. The decree of the CPSU Central Committee "On the 60th Anniversary of the Formation of the Union of Soviet

Socialist Republics" obliges each person to work even better at his workplace for the benefit of our great homeland. We have a place to exert our efforts. This year the cooperative workers of the republic have to increase the purchases of agricultural products by 14 percent, including meat by 35 percent. It is necessary to obtain at their own subsidiary farms not less than 8,000 tons of meat.

So that the outlined gains would be achieved, the board has elaborated and approved an extensive set of measures, which provide for the further development and strengthening of the material and technical base of industry, procurement and the subsidiary farms. In particular, it is envisaged this year to build and renovate 5 shops for the production of nonalcoholic beverages, 4 sausage shops, 11 shops for the production of confectionary items, 33 pig sties and 17 cow barns for 10,000 animals, 180 general-purpose receiving and procurement centers and a number of other projects. Work will be started on the construction and renovation of nine shops for the production of canned meat, fruits and vegetables. The results of the first months of the new year attest that the socialist obligations on the twofold increase of commodity stocks, which were assumed for the five-year plan, are being successfully fulfilled.

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## CONSUMER GOODS PRODUCTION AND DISTRIBUTION

### INFLUENCE OF MOSCOW CITY SOVIET ON CONSUMER GOODS PRODUCTION

Moscow KOMMERCHESKIY VESTNIK in Russian No 4, 1982 pp 12-13

[Article by Candidate of Economic Sciences L. Bogdanov, chief of the Division of the Planning of Consumer Goods of the Planning Commission of the Moscow City Soviet Executive Committee, and Candidate of Economic Sciences I. Motorin: "Under the Control of the Soviets"]

[Text] The collectives of the industrial enterprises and associations of Moscow, in implementing the decisions of the 26th CPSU Congress, have come forth with the initiative to increase considerably the production, to expand the assortment and to improve the quality of consumer goods. With the most direct participation of scientific research, planning and other organizations the production collectives drew up comprehensive programs. In particular, it is planned to organize the output of items for the population at the overwhelming majority of enterprises and associations.

Candidate of Economic Sciences L. Bogdanov, chief of the Division of the Planning of Consumer Goods of the Planning Commission of the Moscow City Soviet Executive Committee, and Candidate of Economic Sciences I. Motorin tell how these tasks are being accomplished.

The successful implementation of the programs is based on the foundation which was laid during the years of the last two five-year plans. During the 10th Five-Year Plan alone 3.7 billion rubles were allocated for the renovation of the industry of the city as against 2.9 billion rubles during the Ninth Five-Year Plan. Much attention was devoted to the strengthening of the material base and the retooling of the enterprises which produce consumer goods. The Strela Plant and the Plant of Electric Lighting Fixtures, the Moscow Chemical Varnish and Paint Plant No 1, the factory of the artistic painting of fabrics and others were renovated. During the years of the 10th Five-Year Plan the output of consumer goods in the capital increased by 17 percent and came to the annual volume of 10 billion rubles.

In this is the great credit of the collectives of heavy industry enterprises. Now in addition to the basic output they produce various cultural, personal and household items--from easily produced to technically complex durable household machines and appliances. Their assortment has been expanded, the quality has increased,

new modern items of household equipment and household articles were developed and introduced in production.

The leading place here by right belongs to the machine builders, they account for more than 65 percent of all the cultural, personal and household goods of the city. During the current five-year plan the production of mass demand goods has also increased rapidly at the industrial enterprises of the USSR Ministry of the Automotive Industry, the USSR Ministry of Instrument Making, Automation Equipment and Control Systems, the USSR Ministry of the Machine Tool and Tool Building Industry, the USSR Ministry of Ferrous Metallurgy, the USSR Ministry of Machine Building for Light and Food Industry and Household Appliances and the USSR Ministry of the Timber, Pulp and Paper and Wood Processing Industry. During this period 138,000 televisions, timepieces of all types worth nearly 30 million rubles, furniture worth 7 million rubles, souvenir items worth 10 million rubles, plastic items worth 4.2 million rubles and so on were produced in excess of the set plan.

The work on the enlargement and updating of the assortment was continued. In 1980 the enterprises of the sectors of heavy industry alone assimilated the production of goods of more than 50 descriptions. Among them are the Yauza-209 tape recorder, clocks in wood cases, the new Pion, Onega, Oduvanchik and Olimpiya furniture sets and many other items.

The assignments for the 11th Five-Year Plan are even more specific: it is envisaged to increase the output of cultural, personal and household products at enterprises of the Ministry of the Chemical Industry by 1.5-fold and of the Ministry of the Timber, Pulp and Paper and Wood Processing Industry by 1.2-fold. The production of refrigerators, washing machines, timepieces, radios, televisions, stainless steel tableware, household chemicals and chalk paper items will increase. For example, the production of televisions will increase by 111,000 units, including 55,000 color televisions, and radios by 185,700 units. At the First Timepiece Factory it is planned to produce more than 10 versions of electronic quartz watches, having increased their production from 130,000 in 1981 to 1.4 million in 1985. It is also envisaged to assimilate, in particular, an automatic washing machine, the Yauza-220 tape recorder, the Aelita-2 portable hair dryer with hoods and a timer, an electric dryer, the Chayka-12 electric vacuum cleaner, the Taymen'-3 canoe, a hand truck and so on.

And still, in spite of the increase of the output, the needs of Muscovites for a number of cultural, personal and household goods are not yet being fully met. Some items for the present are being brought to Moscow from other regions. This especially concerns the simplest things, which it is possible to produce at enterprises of local industry, but here at times they engage in the output of products which Muscovites do not need. In the city, for example, a shortage of skates for figure skating and rigid ski bindings is being felt, but instead of this the plants are producing Snegurochka skates and flexible ski bindings, which are virtually not in demand.

In 1980 the Executive Committee of the Moscow Soviet adopted a decision on the further increase of the production of the simplest household and personal goods. During 1981-1985 it is envisaged in the city to assimilate the production of household and personal goods of more than 300 descriptions, including items of simple design; tables and ironing boards, rag holders, cutting boards and others. During this period more than 100 mass demands items should be newly assimilated.

The available potentials at enterprises of groups A for the present are being used inadequately. At present the output of cultural, personal and household goods amounts here to less than 3 percent of the total production volume of mass products in the city. In the system of the Ministry of Chemical and Petroleum Machine Building of the 12 industrial enterprises only 5 are engaged in the production of mass demand goods, in the Ministry of Power and Electrification--3 out of 11, in the Ministry of the Chemical Industry--5 out of 15 and in the Ministry of Tractor and Agricultural Machine Building--2 out of 5. The enterprises of 14 ministries and departments have not organized at all the production of goods for the population. Today there are more than 300 such collectives in the city. There are many cases when the volumes are negligible. Thus, at the 3 enterprises of the Ministry of Power and Electrification the annual volume of mass demand goods amounts to 94,000 rubles. At the 4 enterprises of the Ministry of Heavy and Transport Machine Building--98,000 rubles. The 2 enterprises of the Ministry of Tractor and Agricultural Machine Building produce in a year goods worth 65,000 rubles, while the 1 enterprise of the Ministry of Power Machine Building produces goods worth only 1,000 rubles. In particular, in the program of the Krasnyy proletariy Machine Tool Building Plant mass demand goods make up only 1.5 percent of the total volume of output, the Borets Production Association--1 percent, the Gazstroy Mash Plant--0.1 percent, the copper smelting and copper electrolyte plant--0.5 percent.

In spite of the increase of the output of mass demand goods during the 10th Five-Year Plan, the proportion of these items in the total production volume amounts at enterprises of the Ministry of the Automotive Industry to 2.5 percent, the Ministry of Chemical and Petroleum Machine Building--1.4 percent and the Ministry of Heavy and Transport Machine Building--0.2 percent. However, these small volumes are also adjusted at times.

At the 26th congress attention was especially directed to the need for the strict observance and tightening up of planning discipline. The stability of the assignments and their smooth and unconditional fulfillment are an important condition in planning. However, instances of shifts of the assignments to the end of the period under review, or else changes downward are still frequent. This leads to the inadequate delivery of the necessary goods to trade, which adversely affects the service of the population. As a result of the adjustments in 1977 Moscow failed to receive mass demand goods worth 3.4 million rubles. The Tizpribor and type-casting plants, the Mosbytkhim Firm and others erred most of all in inadequate deliveries.

It would be correct to establish for heavy industry enterprises the output of mass demand goods in volumes equal to the wage fund of the given enterprise. For the reserves in the city are great and they should be used to the utmost.

Here the soviets of people's deputies can and should have their say. They have now become such a state organ which can successfully solve the questions of economic construction on their own territory, including the questions of the production of consumer goods and the more complete satisfaction of the needs of the population.

The rayon and city soviets of people's deputies are obliged to review the drafts of the five-year and annual plans of consumer goods production of the industrial associations and enterprises of union and republic subordination, which are located on the given territory. The suggestions of the local soviets should be taken into

account by the appropriate ministries and departments when approving the plans for subordinate associations, enterprises and organizations.

In this connection the commissions for monitoring the production and delivery of consumer goods, which have been set up in the rayon soviets of Moscow, should step up their activity. They are called upon to actively influence the progress of the fulfillment of the plan assignments, ensuring the most complete satisfaction of the demands of the population. This work has been organized well in many of the 32 rayon commissions of the capital. Here the managers of industrial enterprises regularly hear about the expansion of production, the increase of the output and the assimilation of new mass demand items, the creation of specialized shops and sections.

Thus, in Babushkinskiy Rayon practically all the industrial enterprises regardless of their departmental subordination are already engaged in the production of consumer goods. The rayon commission is using in practice the holding of field meetings directly at industrial enterprises, joint meetings with the permanent commissions of the rayon soviet for industry, transportation and communications, the planning and budget commission and the commission for trade and with the rayon committee of the People's Control are being organized. A permanent exhibition of the consumer goods produced by enterprises of the rayon has been installed in the building of the executive committee. The result is that during the 10th Five-Year Plan the production of consumer goods in the rayon increased by nearly 25 percent, the output of items made from production scraps increased threefold.

However, a number of executive committees of the rayon soviets did not see to it that all the industrial enterprises located on their territory produce mass demand goods. In Kuybyshevskiy Rayon only 33 of the 54 industrial enterprises are engaged in this important matter, in Krasnopresnenskiy Rayon--30 of 47, in Zheleznodorozhnyy Rayon--11 of 22, in Kirovskiy Rayon--22 of 39, in Sovetskiy Rayon--19 of 26, in Timiryazevskiy Rayon--20 of 35, in Frunzenskiy Rayon--8 of 24.

The session of the Moscow Soviet, which was held in 1981 and examined the progress of the fulfillment of the decree of the CPSU Central Committee, the Presidium of the USSR Supreme Soviet and the USSR Council of Ministers on the further increase of the role of the soviets of people's deputies in economic construction, specified the tasks of the rayons and of the city of Moscow as a whole on the all-round use of the rights granted to the local soviets and their executive committees in the solution of the most important questions of economic and sociocultural construction and on the more complete satisfaction of the needs of the population. These decisions were adopted by all the soviet organs of Moscow.

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## CONSUMER GOODS PRODUCTION AND DISTRIBUTION

### MINISTRY OFFICIALS DISCUSS FOOD SERVICE SITUATION

#### National Goals

Moscow SOVETSKAYA TORGOVLYA in Russian 13 Apr 82 p 2

[Article by USSR Deputy Minister of Trade V. Bychkov: "A Task of Paramount Importance"]

[Text] In the decree of the CPSU Central Committee and the USSR Council of Ministers "On Measures on the Further Development of Trade and the Improvement of the Trade Service of the Population During the 11th Five-Year Plan" much attention is devoted to public dining. And this is understandable, its further development and improvement are one of the program requirements of the party in the direction of the realization of Lenin's ideas on the reorganization of the daily life of the Soviet people on a communist basis.

During the 11th Five-Year Plan the commodity turnover in the sector has to be increased by 19.9 percent, while the volume of the output of products of its own production has to be increased by 21.6 percent. An even faster growth rate is envisaged in the future for the 1990's. The structure of the output of its own production and the commodity turnover also has to be improved with allowance made for the requirements of efficient balanced nutrition, including for different occupational groups and contingents of consumers, the problem of dietetic nutrition has to be solved, the sale of convenience foods through an extensively developed network of delicatessens has to be increased.

And here it is necessary to admit that the present organization of production and the still retained technology, in case of which every enterprise, small and large, performs itself the entire cycle from the primary processing of raw materials to the obtaining of finished products, are unproductive and do not make it possible to use efficiently the new equipment which is arriving for the equipment of the sector.

If we do not agree here to resolute changes, it will be difficult to cope with the assignments of both the next five-year plan and subsequent five-year plans. By 2000 it would be necessary to attract to the sector an additional 2.5-3 million people, or, in other words, to increase the number of people working in it by two-fold. Aside from everything else, this is simply unrealistic due to the lack of manpower resources. For during the entire 11th Five-Year Plan the number of people working in public dining will increase by only 1 percent.

The 26th party congress indicated the means of solving the problem: "Increase the level of industrialization of the sector."

For us the main content of the work ahead lies in the centralization of the production of output of a high degree of readiness and in the guaranteed complete supply of all the final preparing enterprises of public dining with all convenience foods of a high degree of readiness.

It would be incorrect to say that previously nothing was done for this. During the period since 1965 the production of convenience foods, which are made by the enterprises of our sector and the food industry, has increased by 3.5-fold. And now their proportion in the total consumption of raw materials amounts to: meat--57.2 percent, fish--39.2 percent, peeled potatoes--28.3 percent, vegetables--10 percent. While 27.2 percent of the public dining enterprises are considered to have been converted to the complete supply with convenience foods. However, it is well known that by this there is understood their supply, primarily, with respect to meat with a large piece, fish--with stew and more peeled potatoes. In the case of such a limited supply all the kitchens with the equipment for the entire technological cycle are being retained and labor productivity in practice is not increasing.

Now it is a question of the radical reorganization of all public dining of the country on an industrial basis. At the first stage, with allowance made for the real conditions, it will be accomplished for the most part by the use of the available equipment, which has already been assimilated in production by the machine builders, and its centralized use at factories of convenience foods and delicatessen or complexes of specialized shops, which produce products of a high degree of readiness and supply them to final preparing enterprises.

Such a statement of the question differs fundamentally from how the production of convenience foods was previously developed, being shut into individual operations and not being connected by a single technological chain.

The use of the traditional equipment, which is concentrated at one intermediate product plant or another, is making it possible to increase considerably the utilization ratio of equipment. The organization of production processes should be raised to a higher level, a well-balanced technological chain, which includes, in addition to the centralized production of products, also their wrapping in functional containers, delivery in rolling racks and rolling containers by specialized motor transport and final preparation or warming at the final preparing enterprise, should be created.

Experience, particularly that of Pervoural'sk, shows how much it is possible to achieve and in a short time locally already at this first stage of the work, if support and assistance on the part of party and soviet organs are available and such support is used skillfully.

What specifically has already been done in the public dining of Pervoural'sk? Here an intermediate products works and a complex of shops for the output of products of a high degree of readiness have been created, functional containers and shipping containers have been allocated in the necessary amount, motor transport has been adapted for the transportation of convenience foods. And a single technological chain has been formed on the scale of public dining of the entire city. The

economic effectiveness from the introduction of industrial methods of preparing food here is now 6.9 rubles a year per seat.

All this was achieved without new construction, without an intermediate product factory at the enterprises, which previously existed and were built according to designs which are far from present requirements. But the work of the people of Pervoural'sk is also valuable for the fact that it took place under the most ordinary conditions and demonstrates that industrial methods of preparing food can be introduced everywhere. And if the industrialization of food preparation were applied to the entire country, it would be possible to save the labor of 256,000 people, or 10 percent of all those working in the sector, to release 200,000 units of technological equipment, or 12 percent of its total pool, and to save in a year on the wage fund 256 million rubles.

Moreover, it is necessary to note that in other places, where the initial material and technical base is better than that of the workers of Pervoural'sk, the results from the introduction of industrial methods of food preparation have all the makings to become even more important and significant.

The second stage, a higher stage of the industrialization of the sector, includes the introduction of a new advanced technology of the production of products of a high degree of readiness by industrial methods and the development of new, highly productive equipment for delicatessen factories and final preparing enterprises with the introduction everywhere of functional containers.

It is proposed to adopt such measures in 1983-1985 at the intermediate product factories of Gagarinskiy Rayon of Moscow, Shevchenkovskiy Rayon of Kiev and in Orekhovo-Zuyevo of Moscow Oblast.

The entire technological chain from the preparation of the food and its transportation to its serving to consumers should be developed at these three facilities. It includes along with the organization of the output of products also the following questions: the work of the dispatch office, the system of transportation of the products, the structure of management, the mechanization of accounting and others, that is, it is a question of the model of the unified production and technological complex for a specific region. The creation of these experimental factories will make it possible to introduce such a technology extensively during the 12th Five-Year Plan.

The active, coordinated work of all the public dining organizations and specialists, who are taking part in this task, the scientific research and planning and design organizations of our sector and trade machine building and the factories producing trade equipment is required for the successful accomplishment of this task.

We have everything necessary to radically reorganize during this five-year plan the work of public dining enterprises, to accomplish the important tasks of the first stage of the industrialization of the sector and to create all the necessary conditions for the transition during the next five-year plan to its second stage. Now it is up to us and to our organizing work.

## Local Problems

Moscow SOVETSKAYA TORGOVLYA in Russian 13 Apr 82 p 2

[Article: "What Is Being Done, What Is Being Planned"]

[Text] RSFSR Deputy Minister of Trade F. Marchuk:

In the RSFSR the rate of the introduction of industrial methods of food preparation has increased somewhat in recent times. During the years of the 10th Five-Year Plan the network of intermediate product enterprises increased by nearly one-third. About 30 factories and intermediate product dining rooms were built at the expense of the assets of industrial enterprises. The delivery to public dining of industrially produced convenience foods increased somewhat. In state trade of the republic 19,000 enterprises of public dining, at which there are 2.4 million seats, were changed over to the advanced technology. A twofold increase as compared with the beginning of the last five-year plan!

In the Komi ASSR, Rostovskaya, Kamchatskaya, Sakhalinskaya, Kuybyshevskaya and Astrakhanskaya Oblasts every other enterprise is completely supplied with basic convenience foods, while in a number of cities of the republic and plant dining combines, for example, at the Kama Motor Vehicle Plant in Naberezhnyye Chelny, the Volga Motor Vehicle Plant in Tol'yatti and the Motor Vehicle Plant imeni I. A. Likhachev in Moscow, the changeover to industrial methods of food preparation is being completed. Owing to the adoption of industrial methods in the RSFSR the labor of 14,000 cooks and confectioners has been conditionally freed.

However, even now it is impossible to consider the pace of this work to be satisfactory. For the present only a third of the enterprises in the RSFSR have been converted to complete supply with convenience foods.

The RSFSR Ministry of Trade and local organs of trade drafted for the 11th Five-Year Plan plans of the gradual changeover of public dining enterprises to industrial methods of food preparation, which include a set of organizational, technical and economic measures which will be implemented with the active participation of party and soviet organs and industrial enterprises. Much attention is being devoted in the republic to the dissemination of the know-how of the workers of Pervoural'sk. By the end of the five-year plan it will be used in 55 more cities of the RSFSR. The delivery of convenience foods by the industry which produces foodstuffs should increase by not less than 1.5-fold.

The RSFSR Ministry of the Fruit and Vegetable Industry, which is late in approving the assignments on the production of peeled potatoes and vegetables for public dining, is hampering the matter. The machine builders are not meeting the needs of intermediate product enterprises for equipment for flow lines, singers, vegetable cutters and several other types of equipment. There is no equipment which ensures the complete mechanization of the technological processes in the peeling of potatoes.

V. Zaporozhets, chief of the Main Administration of Public Dining of the Ukrainian SSR Ministry of Trade:



In the Ukraine enterprises, at which 42 percent of all the available seats in public dining of state trade are concentrated, have been changed over to complete supply with convenience foods. And in Drogobych, Chervonograd, Zolochiv and Stryi of L'vovskaya Oblast, Khorol and Mirgorod of Poltavskaya Oblast, Dzhankoy of Krymskaya Oblast, Sevastopol' and several other cities (in all there are 20 of them) this has been done on the scale of the entire city.

The assortment of convenience foods and delicatessen, which is being prepared by the intermediate product enterprises, was enlarged considerably by means of products of a high degree of readiness. The centralized production of sauces and pastes, basic red sauce, home-made noodles, dough, pelmeni, pancakes, stewed cabbage, vareniki and fritters has been organized in all the oblasts.

Without waiting for new construction, we are renovating a number of operating public dining enterprises, specializing them in the centralized production of convenience foods of a high degree of readiness. Here the experience of Zaporozh'ye, Mogilev-Podol'skiy and a number of other cities is interesting.

We are also using the capacities of the public dining combines at industrial enterprises, which were not completely loaded. Industrial complexes: intermediate product shops, which serve an extensive network of neighboring final preparing dining rooms, are being organized on their basis. Such experience exists, in particular, at the Kiev Radio Plant, the Chernomorskiy Shipyard in Nikolayev, the Kremenchug Dormashina Association and others.

I would like to direct attention to the following problem. The existing evaluation of the progress of industrialization only according to the proportion of convenience foods in the consumption of raw materials and according to the number of enterprises, which have been changed over to complete supply with convenience foods (for this it is sufficient to obtain meat in a large piece, fish as a stew and peeled potatoes), no longer meets present requirements.

We have made a suggestion to the USSR Ministry of Trade on changes in reporting, owing to which the degree of the concentration of the production of various types of convenience foods, the degree of their readiness and the proportion of the output being produced by enterprises, which do not have the functions of intermediate product enterprises, will become clear and a number of other data, which analyze in detail the progress of industrialization, can be obtained. We are awaiting a decision on this question.

N. Belyayeva, director of the dining combine of the Kiev Radio Plant:

In the process of working on the introduction of industrial methods of food preparation we realized that the changing over of enterprises to an industrial basis is not simply the organization of the production of convenience foods of a high degree of readiness. A precise production program is needed for the closed cycle: suppliers--intermediate product works--final preparing enterprises. The Kiev Radio Plant helped us in practice to implement it, having assumed the financing and fulfillment of the work on the renovation of the shops and dining rooms of the dining combine.

The centralization of the production of convenience foods of a high degree of readiness made it possible to increase labor productivity by 13 percent and to

decrease the labor intensity of the preparation of dishes by 12 percent. The real release of workers of production provided an economic impact of about 28,000 rubles a year.

The implementation of the use of industrial methods of food preparation at the dining combine was the first step, one could say, a rehearsal of the accomplishment of this task on the scale of the trust of dining rooms of Darnitskiy Rayon. Now work is already being performed there on the reequipping of the final preparing dining rooms and the search for the optimum version of the transportation and technological complex.

I want to direct attention to the fact that the work on the introduction of industrial methods of food preparation is being carried out by experienced workers, unfortunately, without scientific recommendations on the organization of the new technology of producing products of a high degree of readiness, without regard for the possibility of using at least subsequently highly productive equipment, I would like to believe that in the very near future scientists will come to our aid.

Belorussian SSR Deputy Minister of Trade G. Grishchenkov:

We are solving the problem of supplying public dining enterprises of the republic with convenience foods and products of a high degree of readiness, by drawing them into cooperative organizations with the corresponding enterprises of the food, the meat and dairy and the fish industries, and now also of the Ministry of the Fruit and Vegetable Industry. Thus, we are receiving from industry up to 70 percent of the total amount of sold meat and fish convenience foods.

In Belorussia more than 1,200 public dining enterprises, which make up more than 60 percent of the entire network, are being completely supplied with basic convenience foods. In Baranovichi, Borisov, Zhodino and Beloozersk all the enterprises are thus being supplied, while in the oblast centers nearly all the dining rooms at industrial enterprises are thus being supplied. And Slutsk is displaying a good example in the maximum supply of all enterprises with convenience foods of a high degree of readiness.

Plans of the gradual changeover of the public dining enterprises of the oblasts to an industrial basis have also been drafted in our republic. It is planned, for example, to construct by means of the assets of industrial enterprises intermediate product dining rooms with a total capacity of 47.5 tons of raw materials a day and to put into operation 11 shops for the peeling and sulfitation of potatoes and 12 shops for the production of meat and fish convenience foods of a high degree of readiness. The 12 existing shops are already being renovated and expanded. This year the construction of a delicatessen factory with a capacity of 15 tons of raw materials a shift is being started. The Gomsel'mash Plant is financing this project.

I would like to say a few words about the workers of Pervoural'sk. Under their difficult conditions they found the correct solution. What was done in this city, of course, is only the beginning, but a good beginning, such experience is valuable for everyone, and we will disseminate it in our republic.

Lithuanian SSR Deputy Minister of Trade N. Strazdayte:

In industrializing public dining, we are endeavoring to utilize to the utmost the potentials of its own enterprises and at the same time are taking into account the potential of republic industry, which is specialized in the production of food-stuffs.

Thus, for example, we were able to see to it that meat combines supply public dining with convenience foods of a wide assortment, up to 20-25 descriptions. All public dining enterprises of the second and third categories are receiving these items of a high degree of readiness. Their use decreases by three-fourths the labor of cooks in the preparation of meat dishes.

The need for fish convenience foods is being met by 50 percent. The difficulties here lie in the limitedness of the capacities of the fish processing industry and in the irregularities with raw materials. Jointly with the Ministry of the Fish Industry we outlined measures on the increase during the 11th Five-Year Plan of the production of such convenience foods by 50 percent.

A technically well-equipped vegetable processing combine of the Ministry of the Fruit and Vegetable Industry for the supply of public dining enterprises with fruit and vegetable convenience foods has been organized in Vilnius on the basis of the former shops of the Plodoovoshch Association. It supplies centrally according to a schedule peeled potatoes, carrots, beets and several other products in sacks, boxes and other packaging. Moreover, in part in cut form: cubes, chunks, sticks and other forms.

A vegetable processing shop will be put into operation this year in Kaunas. The question of their organization in other cities of the republic is also being raised.

We intend by the end of the five-year plan along with the 100-percent supply of public dining enterprises with convenience foods of a high degree of readiness to increase this figure for fish convenience foods to 75 percent and vegetable convenience foods to 50 percent.

But there are cities in Lithuanian, in which we should rely only on our own capacities. Therefore we are asking the USSR Ministry of Trade to assist us in the acquisition of sets of technological equipment for their intermediate product dining rooms.

N. Nikiforov, chief of the Public Dining Administration of the Moscow Oblast Soviet Executive Committee:

Comprehensive measures on the changeover of the public dining enterprises of the oblast to industrial methods of food preparation have been drafted here for this five-year plan. A coordinating center has been set up in the administration for monitoring their fulfillment. The implementation of the program of industrialization is being carried out with the active support of party and soviet organs and the assistance of industrial enterprises. Especially great assistance is being given to us in Orekhovo-Zuyevo, where the construction of an intermediate product factory with a capacity of 25 tons and a shop of vegetable convenience foods with a capacity of 15 tons is being carried out in conformity with the comprehensive scientific and

technical program, which was approved by a decree of the USSR State Committee for Science and Technology. The first models of the latest highly productive equipment, functional containers and standardized packaging will be used there.

Interesting work on the use in public dining of industrial methods of the production of products is also being performed in the city of chemical workers, Voskresensk. Here facilities with a total area of 5,000 m<sup>2</sup> have been transferred to the balance sheet of the trust of dining rooms. The renovation of the confectionary shop using its own resources has been completed. Equipment is being installed at the start-up project of this year--the shop for the peeling and sulfitation of potatoes and the peeling of vegetables. Shops for the production of meat and fish convenience foods are being built. All this is being done with the most active participation of industrial enterprises.

B. Pyatygin, chief of the Public Dining Administration of the Sverdlovskaya Oblast Soviet Executive Committee:

Our administration has drafted a comprehensive program of the industrialization of public dining of the cities of Pervoural'sk, Alapayevsk and Asbest.

It has been approved by the oblast committee of the CPSU and has been adopted by the oblast soviet executive committee. Its implementation was begun in 1979. We took the route not of new construction, but of the renovation of existing intermediate product dining rooms and the organization of specialized shops for the preparation of convenience foods of a high degree of readiness, locating them in the freed production facilities of final preparing dining rooms.

In solving such a problem on the scale of entire cities, we derived lessons from the previous failures, when only individual enterprises were changed over, and only in part, to work with convenience foods. Those measures had little influence on the increase of labor productivity and proved to be inadequately effective.

It is well known what good results the changeover to industrial methods of food preparation of the public dining network of Pervoural'sk provided: there 128 people previously employed at dining rooms in the processing of raw materials were freed for other jobs, a saving of the wage fund--128,000 rubles--was obtained, 132 units of equipment were dismantled, labor productivity increased by 15 percent, an annual economic impact of about 150,000 rubles was achieved.

On the basis of this experience, the oblast committee of the CPSU and the oblast soviet executive committee set the task: during the 11th Five-Year Plan to introduce extensively industrial methods of food preparation in all the cities of the oblast. We will manage there, as in Pervoural'sk, mainly with the available material and technical base, by creating specialized shops.

No everything is proceeding as smoothly as we would like. There are many difficulties. It is necessary to expedite the elaboration of the specifications for convenience foods of a high degree of readiness. To assimilate the series production of highly productive lines for the output of such products. To make the required changes in the design of the line for the peeling and sulfitation of potatoes in order to decrease the manual labor now needed in its operation. Perhaps, the production of potato peelers should already now be decreased and in place of



them the production of kneading machines, dough dividers, flow lines for the processing of poultry and fish and some other equipment, which is necessary for the production of convenience foods of a high degree of readiness, should be organized at the freed capacities.

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## CONSUMER GOODS PRODUCTION AND DISTRIBUTION

### LOCAL INDUSTRY, CONSUMER SERVICES SHOULD SHOW GREATER PROFITS

Moscow FINANSY SSSR in Russian No 3, Mar 82 pp 32-35

[Article by S. B. Kheyfets, division head at the USSR Ministry of Finance:  
"Reserves for Profit Growth in Local Industry and Consumer Services and the Monitoring Operations of Financial Agencies"]

[Text] Large-scale measures were taken in local industry and consumer services during the 10th Five-Year Plan to broaden the variety of consumer services and consumer goods, to reinforce the material and technical base of enterprises and to master new types of services and commodities. These measures increased the consumer service volume by 43 percent and the commercial product of local industry by 30 percent. In 1981 consumer service enterprises performed 8.4 billion rubles' worth of services for the public and local industry produced 11.4 billion rubles' worth of goods. A large increase is planned for 1982.

The regularization of consumer service rates in 1977 and 1978 raised the profit level from 5.7 percent in 1976 to 10.8 percent in 1980.

Nevertheless, the results of the financial and economic activity of local industry and consumer service enterprises indicate that there are certain reserves that have not been utilized in their entirety by these branches. Although the plan was fulfilled overall in 1980 and 1981, there were many enterprises which could not keep up with service and sales volume assignments.

Some types of services are developing too slowly. Per capita sewing and knitting services amount to 3.83 rubles in the Latvian SSR, 3.11 rubles in the Estonian SSR, only 39 kopecks in the Georgian SSR, 37 kopecks in the Uzbek SSR and 42 kopecks in the Azerbaijan SSR. Per capita dry cleaning and dyeing services amount to 1.36 rubles in the Lithuanian SSR and 1.67 rubles in the Latvian SSR, but only 14 kopecks in the Azerbaijan SSR and 40 kopecks in the Uzbek SSR. The situation is similar with regard to other services.

In some republics (the Azerbaijan, Uzbek and Tajik SSR's), the per capita service volume is only one-third as high as the national average. The provision of the population with many types of services to the high degree achieved in several republics would considerably enlarge this branch.

The improvement of consumer services will depend largely on the material and technical base. The amount of capital invested in its development exceeded 2 billion

rubles in the last five-year plan. Wherever this matter is given the necessary attention, investments are put to use quickly, the amount of fixed capital grows and production efficiency is enhanced. Many new consumer service enterprises and centers have been opened. The amount allocated for the development of this branch in 1982 is 1.14 billion rubles, or 168 million more than in 1981.

It will be important for financial agencies to institute stricter control over the efficient use of allocated funds. Schedules for the completion of consumer service enterprises are not being observed in several union republics. For example, the construction work on the consumer center in Barnaul began in 1977. The violation of schedules deprived the population of 3.1 million rubles' worth of consumer services each year. In all, the delayed completion of 16 facilities being erected by the RSFSR Ministry of Consumer Services has deprived the population of 21 million rubles' worth of services.

The amount of funds used for the remodeling and technical retooling of existing enterprises, which augments capacities with minimum expenditures, should be maximized. The sums used for this purpose should come from the consumer service development fund formed in 1981 by ministries and oblast and kray administrations from 7.5 percent of their profits. Fixed capital must be made as productive as possible.

The efficient use of productive capital and a higher shift coefficient are significant reserves. The pertinence of this matter can be judged from the following figures. The fixed assets and working capital of consumer service enterprises constitute a sizeable sum--7.8 billion rubles. The improvement of their use by just 1 percent would increase enterprise resources by 78 million rubles. However, dry cleaning capacities in 22 inspected oblasts in the RSFSR were being utilized only on a level of 30-50 percent, and the figure for some Uzbek enterprises is only 20-23 percent.

An analysis of report data indicates that enterprises still have large above-norm stocks: valued at 4.9 million rubles in the Azerbaijan SSR, 3.4 million in the Tajik SSR, 3.7 million in the Armenian SSR and 2.6 million in the Turkmen SSR, which are equivalent to 30.8, 22.1, 20.3 and 20.4 percent of the norm respectively. Consumer service enterprises do not have to deposit payments for productive capital in the budget. Some specialized enterprises (laundry and dry cleaning factories and mechanized shoe repair factories) pay 3 percent of the value of their capital to higher agencies out of the profits earned from services. This is essentially a form of profit redistribution. Obviously, the time has come to institute payments for capital, just as in other branches.

The growth of orders placed by the public is being impeded by the inconvenient business hours of repair shops, studios and order placement centers. Many enterprises are still operating one shift with 2 days off. Of all the order placement centers surveyed in the USSR, 70 percent are open for a single shift, and the figure is 92-95 percent in the Azerbaijan, Lithuanian and Georgian SSR's. Financial agencies should pay more attention to this indicator of enterprise activity in their inspections. In the Tajik SSR financial agencies suggested that the volume of consumer services be augmented in four rayons by means of a higher shift coefficient and the regularization of enterprise business hours for 65,000 rubles. It should be borne in mind that a mere 0.2 rise in the shift coefficient will augment the service volume by hundreds of millions of rubles a year within the same production area.

The inspections conducted by financial agencies testify that clothing, headgear, knitted outerwear and furniture studios and workshops have recently sold more products not ordered in advance by the population and that the income from these articles is then included in the consumer service volume. This has been accompanied by the less conscientious filling of individual orders, the deterioration of service quality and the tendency to take several months to fill orders.

Small-series production accounts for 90 percent or more of the total sales volume in many areas of consumer services. The authorization of consumer service enterprises to manufacture and sell series-produced articles at a much higher overhead cost than at enterprises of light and local industry injures the state and the development of consumer services. The production of small series without any consideration for public demand can lead to the growth of above-norm stocks of unsold goods, their illegal markdown and the payment of unearned bonuses. These unsold stocks have been valued at 400,000 rubles, for example, in the Tambovskaya Consumer Service Administration, and at 126,000 rubles in two rayons of Gomel'skaya Oblast. The products of consumer service enterprises are sold to the public at special-order prices, although these items should be turned over to trade organizations and sold to the public at the current retail prices for these types of products.

To improve the service provided to the public on individual orders, to speed up performance and to improve the quality of service, the income earned from the sale of mass-produced goods obviously should not be counted as part of the consumer service volume. Consumer service enterprises and organizations should also be forbidden to mark down items manufactured in small series. In 1980, 300,000 rubles' worth of unsold goods manufactured without advance orders were illegally marked down at enterprises in Moldavia, and the figure in Tashkentskaya Oblast was 132,000 rubles. Similar cases were discovered by financial agencies of the RSFSR and Belorussian SSR. The amount of the markdown is written off as a profit or overhead expense, reducing budget payments for net capital and payments into the consumer service development fund. Financial agencies must institute stricter control in this area.

One way of increasing the service sales volume will consist in recording and retaining all service enterprise receipts. Last year financial agencies in the Kazakh SSR inspected 537 enterprises and discovered 330 unticketed orders for 2,500 rubles, in the Uzbek SSR there were 541 such orders for 8,600 rubles, in the Turkmen SSR there were 944 for 8,200 rubles, in the Moldavian SSR there were 769 for 4,800 rubles and in the RSFSR there were 1,108 such orders for 5,900 rubles. In accordance with the results of their inspections, financial agencies suggested that incentive funds be reduced by 22,000 rubles at the inspected enterprises in the RSFSR, by 11,400 in the Ukraine, by 5,700 in Belorussia and by 21,000 rubles in the Moldavian SSR.

The sizeable amount of the receipt leakage of consumer service enterprises is attested to, in particular, by the fact that the receipts of the watch and umbrella repair shop of the Rembyttekhnika Plant in Chernovtsy were 106 rubles on the days of control inspections by financial agencies, and only 50 rubles on other days. In the beauty parlor of the Belgorod City Consumer Service Administration, the receipts of each beautician were 15 rubles higher on the average on control days. This also testifies to the effectiveness of the financial agencies' work.



Cashiering procedures are still being violated in inspected republics and oblasts. Receipts are not always deposited in Gosbank branches in their entirety and on schedule, and monthly register inspection requirements are not being met. This results in cases of overstated service volumes, illegal expenditures, waste and embezzlement. In the Russian Federation financial agencies discovered cases of illegal expenditures at one out of every three enterprises inspected.

To institute stricter control over the acceptance of receipts, it would be expedient to assess service sales plan fulfillment according to receipts deposited in Gosbank accounts. The appropriate changes should be made in the USSR Central Statistical Administration's instructions "On the Procedure for Compiling the Report on Consumer Service Sales Plan Fulfillment on Form No 1-byt."

Financial agencies should spend more time inspecting the treatment of socialist property at consumer service enterprises. When they discover cases of the performance of services without tickets and partial deposits of receipts, they should suggest increases in service sale plan indicators, profits and budget payments, reductions in incentive funds and the nonpayment of bonuses to the persons responsible for the appropriation of receipts. Financial agencies should take an active part in regularizing the issuance of tickets and, along with Gosbank establishments, should constantly monitor the order reports, accounts receivable and bank deposits of enterprises.

The profit level is particularly important at enterprises of local industry and consumer services. In recent years the absolute amount of profit has increased. Low production indicators and serious shortcomings in the work, however, have kept many enterprises from keeping up with profit assignments. This is true of more than 30 percent of the service enterprises in the Ukrainian, Belorussian and Uzbek SSR's. Local industry enterprises which did not fulfill the sales plan deprived the public of 42 million rubles' worth of products in the first half of last year. Reserves for overhead cost reductions and the elimination of unprofitability are not being utilized well in consumer services. In the first half of the year, enterprises operating at a loss accounted for 24.8 percent of all enterprises in the country, with total losses estimated at 82.7 million rubles, they accounted for 32 percent of all enterprises in the Kazakh SSR and 36 percent in the Turkmen SSR. The experience of many consumer service administrations indicates that organizational measures can eliminate unprofitability. This matter should be investigated.

Dry cleaning and dyeing services are still being performed at a loss in the Kirghiz SSR (-4.6 percent) and Turkmen SSR (-3.8 percent); in the other union republics these services were performed at a profit in 1980. Housing construction and repair services were performed at a loss that same year: -16.8 percent in the Lithuanian SSR, -10.4 percent in the Estonian SSR and -1 percent in the Kirghiz SSR; in the other union republics these services were performed at a profit, but the profit level ranged from 15.5 percent in the Tajik SSR and 14.6 percent in the Uzbek SSR to 1.2 percent in the Ukrainian and Kazakh SSR's. Laundry services are performed at a loss in Armenia (-10.1 percent) and the profit level in other union republics ranges from 0.5 percent in Uzbekistan to 39.5 percent in the Turkmen SSR.

Labor productivity is not being given the necessary attention in consumer services. This indicator is not planned and not taken into account when financial incentive

funds and bonuses for administrators are calculated. As a result, the volume of consumer services is growing primarily as a result of an increase in the number of personnel. This is inconsistent with plans for the more efficient use of labor resources. In connection with this, we believe that labor productivity should be established as an indicator of enterprise operations, by analogy with other branches of industry, and should be regarded as one of the main determinants of the size of material incentive funds and the level of enterprise performance evaluations.

The production of goods from local raw materials and industrial waste, which is an extremely important part of local industry, is not being given the necessary attention everywhere. Government stocks are now the main source of raw materials for local industry enterprises. The production of local construction materials, earthenware, ceramics, housewares and other products based on the use of local raw materials and waste products has not been developed adequately in local industry and the public demand for these goods is not being satisfied. Local raw materials and waste products are used in only 8.7 percent of the total output of local industry in the RSFSR, 2.8 percent in the Turkmen SSR, 4 percent in the Tajik SSR, 3.4 percent in the Azerbaijan SSR, 5.1 percent in the Lithuanian SSR and 5 percent in the Estonian SSR. Even with these low percentages, however, the plan for consumer goods production from local raw materials and production waste has not been fulfilled for 3 years by enterprises in the Azerbaijan, Armenian and Belorussian SSR's and for 2 years in the RSFSR. Financial agencies in these republics should learn the reasons for the failure to fulfill plans and investigate the possibility of increasing the percentage accounted for by production waste in the consumer goods output.

The absence of exact records of secondary resources accumulated in the republic and precise instructions for their utilization is a serious shortcoming in the development of this kind of production. Some of the waste accumulated in local industry is turned over to secondary resource recycling organizations and is hardly used at all by enterprises of the branch. For example, 348 tons of scrap nonferrous and other metals and 681 tons of metallic waste were turned over to procurement organizations in Azerbaijan in 1980. The same organizations collect waste virgin wool, which could be used by enterprises of republic local industry. Similar cases were discovered during inspections of the Voroshilovgradskaya and Vinnitskaya oblast administrations for local industry.

The output of consumer goods made of local raw materials and production waste could be increased by the new consumer fund deposit procedures. These deposits have been increased by raising the percentage accounted for by full-value raw materials in the total amount used in the production of goods from waste products to 50 percent, as well as 15 percent of the profit from sales of consumer goods made of local raw materials. With profitability levels of up to 25 percent, receipts from the sale of goods made of production waste are deposited in consumer goods funds in full, and half the amount is deposited when profitability exceeds 25 percent.

Shortcomings in the use of local resources and materials are impeding the successful fulfillment of the plan for the production of many of the simplest cultural consumer goods and housewares. These goods are brought in from other republics and oblasts or are manufactured from full-value raw materials, which naturally raises production costs.

Consumer service enterprises have significant reserves for the manufacture of consumer goods through the fuller use of the by-products of their main production units, unsaleable remnants and local crude resources. Wherever this work is given the necessary attention, it produces good results. Several enterprises in Krasnoyarskiy Kray and Sverdlovskaya, Kirovskaya and Kalininskaya Oblasts manufactured 4.7 million rubles' worth of consumer goods from their own by-products and local raw materials in 1980. Nevertheless, many waste products remained unused.

Clothing and knitwear enterprises in Kurskaya Oblast discard large quantities of wool and wool-blend by-products. The furniture factory in the oblast sells waste lumber to the population for firewood, but it could be used in the manufacture of simple housewares and toys.

The inspection data of financial agencies should be used in the preparation of recommendations regarding the growth of consumer goods production using by-products in existing production areas, which will raise the profits of enterprises and, consequently, local budget revenues.

Financial agencies in Volgogradskaya Oblast, the Yakutskaya ASSR and Krasnodarskiy Kray deserve commendation for their work in this field. Yakut financial personnel proposed that toys be made of waste lumber, and haberdashery articles and souvenirs be made of waste fur and leather. In Volgogradskaya Oblast financial agencies proposed the establishment of centralized assignments for the manufacture of goods from production waste and the consideration of these assignments in the calculation of economic incentive funds and bonuses.

The output of consumer goods could be increased by encouraging home craftsmen to work in the production sphere. At present their services are obviously not being used enough in local industry and consumer services. The basic directions for economic and social development in the 11th Five-Year Plan envisage more work in the home in local industry, using the services of disabled and retired individuals.

Financial agencies have an important role to play in the development of local industry and consumer services and in the improvement of the financial and economic activities of their enterprises. They are making many suggestions regarding the mobilization of additional income by finding production reserves, putting them to use, reducing overhead costs and raising profit levels in these branches.

After investigating the activities of consumer service enterprises in 1981, financial agencies in the RSFSR, the Ukraine and Kazakh SSR planned several additional measures to make use of existing production capacities and establish convenient business hours for the public. In May 1981 the board of the Kazakh SSR Ministry of Finance discussed the work of financial agencies to verify the validity of report data on plan fulfillment at consumer service enterprises and ordered them to institute stricter control over the activities of consumer service enterprises and confiscate illegally issued bonuses wherever service volumes had been overstated. Comprehensive resolutions on receipt control operations and the stricter supervision of the financial and economic activity of consumer service enterprises were adopted by the boards of the Ukrainian and Kirghiz ministries of finance.

There are still many examples, however, of the superficial investigation of enterprise economic operations. In some cases the conclusions of economic analyses of

consumer service enterprise activity by financial agencies are too general and do not mention any specific ways of improving their work or mobilizing reserves. Economic analyses of enterprise activities must be made more purposeful and productive, and proposals must be submitted to local soviets of people's deputies with regard to the elimination of shortcomings.

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## CONSUMER GOODS PRODUCTION AND DISTRIBUTION

### MILK PROCESSING EXPANSION PROPOSED

Moscow SOTSIALISTICHESKAYA INDUSTRIYA in Russian 6 Mar 82 p 2

[Article by Doctor of Biological Sciences V. Molochnikov, director of the North Caucasian Branch of the All-Union Scientific Research Institute of the Butter and Cheese Making Industry (Stavropol'): "Without Losses During the Peak Hour"]

[Text] When the time of high milk yields--the season of the maximum arrival of milk from the farms--arrives, the directors of processing enterprises are deprived of peaceful sleep. For this peak hour is the hour of losses. The ratio of the capacity of the equipment and the needs is one to three. And to change it by a threefold increase of the capacities of dairy plants is neither realistic nor wise. Then two-thirds of the lines for a large part of the year would stand idle.

How does one counter the shortage of capacities during the season of the highest milk yields and how does one offset the shortage of milk in winter? In my opinion, by a different approach to the very concept of the processing and use of milk.

What is usually obtained from it? In addition to whole milk, there are butter, cottage cheese, cheese, sour cream and fermented milk products. That is, in practice they extract fat and the products of the breakdown of casein. The rest, as worthless waste products, either is discharged or, at best, is released for feeding livestock.

True, the situation has begun to change. Thus, during 1980 approximately a third of the whey--3.4 million tons--was processed. Of them 2 million tons were enriched with enzymes and sent for the feeding of livestock, 1 million tons went for obtaining lactose for pharmaceuticals and 400,000 tons went for drying and condensing. Let us add that another 19 million tons of skim milk is turned over to agriculture. Not because it is surplus, but because we do not have an opportunity to process it.

Is such an approach to the use of dairy raw materials wise? For in this case a pitiful amount of valuable products is left for man. To be pleased with the increase of the indicators in such a situation means to engage in self-deception. We are not utilizing the raw materials, we are simply hastily pushing them wherever you link, if only not for discarding. This is not a solution of the problem, but only a compromise.

The 1980 decree of the CPSU Central Committee and the USSR Council of Ministers on the further improvement of the use of skim milk, buttermilk and whey is aimed at

the more efficient use of raw materials. I believe that for the present we are still far from a solution of this problem. For in order to introduce whey in the diet of man, we must learn to process it.

What in general is the most valuable thing in milk? Protein. It is digested better by man than other things and has the peculiar ability, which is inherent only in it, to increase the resistance of the body to diseases. Moreover, it is more advantageous in production: a quintal of fodder consumed by a cow yields 3 kg of milk protein, or 1 kg of meat protein. And from the 19 million tons of skim milk and 6.6 million tons of whey, which we are now returning to agriculture, it is possible to obtain 700,000 tons of milk protein. In order to have available the same amount of meat protein, it is necessary to send to slaughter 17.5 million head of large-horned cattle. Here I will note that 700,000 tons of milk protein is sufficient for the efficient supply during the year of more than 58 million people--more than a fourth of the population of our country.

I am far from thinking that one in four USSR citizens should be fed with such protein. It is a question of something else. It seems that the need has arisen to revise radically the structure of the processing of milk and to increase the amount and assortment of the protein products being produced.

In recent years dieticians have demonstrated that for the organization of rational nutrition the production not of high calories food, but first of all of low fat food--food enriched with milk protein--should be expanded. The 26th party congress set precisely these tasks for the workers of all the sectors of the food industry, having obliged them to steadily increase the quality and to enlarge the assortment of food products which are enriched with proteins. Such a statement of the question also meets another requirement of the congress--to treat raw materials assiduously.

But how is this to be done?

At present renovation has begun at the experimental plant of our institute in Stavropol'. Its goal is to change fundamentally the technology of processing milk at the enterprise. Previously butter and cottage cheese were obtained here from it. Now it has been decided to produce butter and raw materials for the confectionary and food industries--protein and carbohydrate concentrates. To obtain them without the use of thin membranes and expensive equipment, by an energy-saving means--by means of so-called membraneless reverse osmosis.

The obtained concentrates--we have now implemented the processes in laboratory facilities--in appearance are similar to each other: white powders without a smell. But in taste the carbohydrate concentrate is sweet, which is precisely what confectioners need. It is completely capable of replacing sugar. It is possible to store it for months, it is convenient to transport and add to foodstuffs.

Protein concentrate will become a raw material for the production of cheeses, cottage cheese and other dairy items during the winter. We are laying in store natural dry milk and eat it in the winter.

There is also another means of preservation of the protein obtained by the membraneless method--freezing. The results are also very promising.

The question: How is the direction proposed by us more practicable than the others? is natural. For its choice, as I have already said, entails mandatory renovation.

Yes, but it is intended for the use of what has been achieved, on the basis of already available equipment. We are confident that by the end of this year we will be able to adopt at our plant this system of the waste-free processing of secondary milk raw materials. Incidentally, it is also entirely applicable for work with whey. The principles are the same.

That is why I cannot agree with those economic managers and scientists, who consider the feeding of all the whey and skim milk to livestock to be the only means of their use. One must give sound thought to what portion it is efficient to send to agriculture and what portion to process for the feeding of people. This is more difficult. But for all the initial difficulties of the work with nontraditional raw materials one must not take the path of least resistance.

As the experience of many sectorial institutes, including ours, shows, in such cases one must first of all seek the support of large-scale science. The specialists of our institute believe that it is time to combine the efforts of related ministries and departments, which are interested in one way or another in the implementation of the program of the waste-free processing of milk.

In what form is this to be done? It would be possible to create creative brigades of scientists, designers and process engineers from the most different scientific research institutes and design bureaus and specialists of enterprises. But their joint activity would acquire meaningfulness and purposefulness only if the USSR Ministry of the Food Industry were to specify the volumes of the consumption of secondary milk resources. That is, if it were to say how much whey, for example, is needed by bakers, confectioners and the canning industry.

At the same time we should receive from the Ministry of the Food Industry something in the nature of specifications for items which can and should be produced with the assistance of secondary milk raw materials. In order to continue the work, we must know what goods are required first of all, with what properties and in what amount.

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## CONSUMER GOODS PRODUCTION AND DISTRIBUTION

### VEGETABLE SUPPLY SYSTEM IN ESTONIA

Moscow SEL'SKAYA ZHIZN' in Russian 4 Apr 82 p 2

[Article by Estonian SSR Minister of the Fruit and Vegetable Industry Kh. Myannik: "They United the Sovkhoz With the Fruit Trade Organization"]

[Text] The start of the work for our new ministry was not among the easiest. Low temperatures and torrential rains on large areas ruined the crop of vegetables on the open ground. The foresight of the managers of those farms, which in the spring considerably exceeded the plan of sowing and planting, came to the rescue. We harvested the products necessary for fulfilling the plans of procurement. But then jams began at the bases, warehouses, stores.

Many shortcomings were corrected on the move. But we understood that you will not correct the situation by mending old holes. It was necessary, figuratively speaking, to purchase a new dress--to organize the production and sale of vegetables in a new way. In the Estonian SSR long before the creation of the Ministry of the Fruit and Vegetable Industry specialized vegetable-growing sovkhozes were formed around all large cities. After all the specialized stores were turned over to the ministry, we agreed to the merging of the city fruit and vegetable trade organizations and the vegetable-growing sovkhozes. Here the director of the fruit and vegetable trade organization became deputy director of the sovkhoz for the sale of produce.

Such organizational rearrangement was carried out in all the large cities of the republic, except Tallinn. In the capital we left for the time being the old system and, I will say frankly, made a mistake. Precisely in Tallinn, very unfortunately, very many shortcomings were observed in the supply of the population with vegetables. Not everything was in order in the city of Tartu as well. Here we united the fruit and vegetable trade organization with the cannery, reckoning that this enterprise would regularly replace from its own stocks the vegetables in the stores and would send for processing what begins to lose its marketable appearance. But these calculations, as experience showed, did not prove to be correct--old "habits" came into play, and we were convinced that it is necessary to unite trade in vegetables not with their processing, but with their production, their cultivation on the land.

We came to such a conclusion by analyzing the work of five of our specialized stores, which had as if absorbed the city fruit and vegetable trade organizations. I will not conceal the fact that the success was not everywhere the same. The



supply of the residents of Narva and Rakvere with vegetables is better organized than, say, in Pyarnu and Kokhtla-Yarve. But here, in our opinion, subjective factors have a greater effect than objective factors. It is not the new system of organization, but its implementers, who are to blame for the shortcomings. But overcoming them is a special problem: it is necessary to prompt someone, in general to replace someone. The main thing is that the correct policy was chosen. This can be seen especially well from the example of the suburban Narva Sovkhoz. This farm also operated quite well previously, but the production of vegetables here was unprofitable, and it frequently ate up the profits obtained by the livestock breeders. But then last year for the first time in the entire history of the sovkhoz vegetable growing yielded a profit of more than 40,000 rubles, while the total profit exceeded 400,000 rubles. And this was during a rainy and cold summer!

The basis of the success of the Narva Sovkhoz, in our firm conviction, lies in the fact that the farm successfully placed at the service of the common cause all the advantages of working under the new conditions. In all 140 hectares of open land, 2 hectares of film-covered hothouses and 5,500 m<sup>2</sup> of main hothouses were set aside for vegetables. On these areas 4,400 tons of vegetables were obtained with a plan assignment of 2,800 tons. In past years such an exceeding of the plan was expensive for the sovkhoz. It was necessary both to offer vegetables to Tallinn and to ship them to Leningrad. In this case not less than 1,000 tons of produce would have been lost. But last year vegetable growing operated in fact without losses. And this occurred owing to the combination in one person's hands of the production and marketing of produce and its processing.

Several powerful refrigerators, large storehouses, shops for the processing and packaging of vegetables, as well as six specialized stores were transferred from the city trade organization to the sovkhoz. In the unified enterprise the interest of all--from the field-crop grower to the warehouse worker and the salesperson of the store--became a common interest. The profits, which trade did not always deservedly appropriate, are now staying in agriculture. By means of them the sovkhoz is organizing the expanded production of vegetables and is worthily stimulating the hard work of both the vegetable growers and the counter workers.

The shops and sections for the processing of vegetables, which were turned over to the sovkhoz, as well as newly built ones eliminated almost completely the losses of products. Moreover, more than 500 tons of food scraps were turned over from the processing shops to the livestock farms, which enriched the winter rations of the large-horned cattle and hogs. The livestock breeders of the sovkhoz bound themselves to increase considerably the milk yields and the weight gains in fattening. In 1982 it was decided to sell to the state 4,120 tons of milk and 880 tons of meat.

It cannot be said that everything contemplated at the Narva Sovkhoz was fulfilled during the first year of work in the new way: at the farm there was not enough, for example, fresh cabbage, and it had to be brought in from outside, the storehouses for carrots were not spacious enough, and they had to be supplied to dining rooms in canned form. It did not turn out to be that difficult to overcome such shortcomings.

The ministry is now bringing the areas, which are being set aside at sovkhozes for the cultivation of vegetable crops, completely in line with the needs of the service zone for vegetables. The cooperation of vegetable-growing farms is taking

place. Thus, the Luun'ya Sovkhoz will supply in large amounts the cabbage for which there are not enough suitable areas at the Narva Sovkhoz.

In order to supply completely with vegetables the stores of such large cities as Tartu and Kokhtla-Yarve, the construction of two large combines, each of which will have 12 hectares of covered ground, has been started at the farms which are responsible for their supply with the products of vegetable growing. This year a hot-house block with an area of 1 hectare should be put into operation at these combines, while subsequently the area of hothouses will increase annually by 3 hectares.

Steps are also being taken on the improvement of the supply of the city of Tallinn with vegetables. Several large vegetable-growing farms exist around the capital of the republic, but in the city the warehousing services are poorly developed. Some kolkhozes of the republic, for example, have mightier potato cellars than the base of the former city fruit and vegetable trade organizations. That is why work has already been started on the renovation of the existing capacities, and the construction of three new cellars at the vegetable-growing farms adjacent to Tallinn has also begun. At them it is possible to place during the winter 24,000 tons of vegetables--considerably more than before at all the warehouses of the city trade organization. All the cellars will soon be put into operation and will receive the harvest of this year.

Scientists have calculated that during the year a person requires for proper nutrition 120 kg of vegetables. It is quite possible to produce 100 kg per person at the farms of the republic and to bring in 20 kg from the southern regions of the country. The problem is for all these vitaminous products to be delivered to the counters of the stores in the best marketable form. The ministry is setting for sovkhozes the task to achieve such a situation that the vegetables in stores would not lie on the counters for weeks, but would be replaced daily, while greens--onions, dill, parsley and others--would be replaced twice a day. Everything that begins to wilt, yellow and wrinkle should immediately go to be processed--pickled, marinated, canned. For this we envisage to strengthen and modernize considerably the canning shops of our sovkhozes: for many of them are of the semihandicraft type. Our task is to retain the taste qualities of products, to lend them a marketable appearance at the level of the best world examples. It is best of all to carry out such preparation of the products of vegetable growing for selling directly at the farms. In this case all the food scraps will go to the livestock farms. The sovkhozes will begin to supply cities with more milk and meat, while vegetable growing will be transformed into a highly profitable, wasteless sector.

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## CONSUMER GOODS PRODUCTION AND DISTRIBUTION

### AZERBAIJAN LOCAL INDUSTRY DEVELOPMENT

Moscow KOMMERCHESKIY VESTNIK in Russian No 6, 1982 pp 12-15

[Interview with Azerbaijan SSR Minister of Local Industry A. Mutalibov by KOMMERCHESKIY VESTNIK special correspondent A. Shcherbatov: "Much Work Is Ahead"; place and date not given]

[Text] During the 10th Five-Year Plan local industry of the republic was developed, while considerably outstripping the plan assignments. The average annual growth rate of the production volumes of consumer goods was 12.9 percent as against the planned 7.4 percent.

Azerbaijan SSR Minister of Local Industry A. Mutalibov tells KOMMERCHESKIY VESTNIK special correspondent A. Shcherbatov about the development of the sector during the 11th Five-Year Plan.

[Question] What are the characteristic traits of local industry of the republic, what was achieved by the enterprises of the sector during the 10th Five-Year Plan.

[Answer] The distinctive feature of our activity at the preceding stage is the radical reorganization of the entire industrial complex. The work was carried out in two directions. Large-scale measures on the specialization of enterprises and the elimination of small shops and sections were implemented at the same time as the efforts on the increase of production efficiency and the improvement of product quality. The point is that owing to established historical conditions there were a large number of small semihandicraft works in the republic. At the present stage of the development of the economy many of them turned out to be unprofitable. Of course, the consolidation of capacities also took place earlier, but by 1976 80 basically small works with a production volume of less than 1 million rubles nevertheless still remained. Now 22 large, highly mechanized enterprises make up our industrial potential. Thus, with respect to local conditions we fulfilled one of the main tasks set by the 25th CPSU Congress, which made it possible to increase sharply the output of consumer goods.

And there is another problem. The analysis of the activity of the ministry showed that the tendency for the preferential development of the sectors of light industry, the industry with the highest gross consumption, continued for a number of years. This was a result of improper planning and had the consequence that the remaining sectors--metalworking, the chemical, construction materials and other sectors--lagged in development.

There was no need for such priority, especially as mighty enterprises of the Ministry of Light Industry exist in the republic. From the very start of the 10th Five-Year Plan we began to decrease systematically, and starting in 1980 ceased completely the production of knitwear. In offsetting the losses of production volumes, we increased the output of products characteristic of the specialization of light industry. During 1976-1980 the production of rugs and carpet items increased 3.9-fold, stainless steel tableware--1.2-fold, steel enamel ware--2.1-fold, plastic items--2.3-fold, handicraft items--2-fold, souvenirs--2.4-fold and musical instruments--1.8-fold.

By implementing systematically a set of organizational and technical measures, our sector achieved noticeable advances in the improvement of product quality and the updating of the product assortment. During the years of the 10th Five-Year Plan the production of goods of more than 450 descriptions was assimilated. They are strollers and bicycles, chandeliers like the Kaskad, stainless steel tableware, this table ware in souvenir design--12-, 18- and 24-piece sets, the Korund shaver, shaving sets, a souvenir set of "armuda" glass holders, ash trays, various counterpanes, hangings, women's handbags, briefcases. The annual rate of updating of the assortment came to 15-16 percent.

Regarding the increase of the production volume of items of the highest quality category as one of the most important tasks, the ministry introduction in practice the monthly discussion at the meetings of the collegium of the progress of the fulfillment of the plans of the certification of products for the State Seal of Quality and the expansion of their output. It increased 14-fold--from 4.2 million rubles in 1975 to 61 million rubles in 1980, while the proportion in the total production volume increased accordingly from 2.2 percent to 16.1 percent. The work begun in 1977 on the introduction of the integrated system of quality control of the products being produced to a significant extent promoted this. It is now in operation at 15 enterprises.

[Question] At one time the Ministry of Light Industry was criticized for serious oversights in the use of capital investments and for a low output-capital ratio and capital-labor ratio. All this led to a decrease of production efficiency, slowed the growth rate of the output of mass demand goods.

[Answer] The criticism was pointed, but objective and timely. We devoted the main attention to the solution of these questions.

The achievement during the past five-year plan of a high growth rate also occurred owing to the performance of a large set of operations on the construction of new enterprises and the renovation of operating ones, the introduction of new equipment and technology. The main indicator of production efficiency--the output-capital ratio--during the years of the 10th Five-Year Plan for the ministry as a whole increased from 5 rubles 49 kopecks in 1975 to 6 rubles 41 kopecks in 1980.

The question of the capital-labor ratio was no less pressing. In 1975 it was 1,920 rubles per worker--one of the lowest indicators in the country. Taking this into account, we channeled all efforts, material and financial resources into the quickest possible completion of begun projects, the modernization of equipment and the renovation of enterprises.



The amount of capital investments of 19.3 million rubles, which was planned for the five-year plan, was considerably exceeded and came to 32.63 million rubles. With a plan of the placement into operation of fixed production capital for the 10th Five-Year Plan in the amount of 24.9 million rubles, 30.58 million rubles were actually placed into operation. Modern rug-weaving factories were built and put into operation in such rayon centers as Lerik, Yardymly, Kazi-Magomed, Agdam and Barda, the renovation of an enamel ware plant in Baku and other facilities was completed.

The capital-labor ratio in 1980 increased to 3,000 rubles. However, we still have considerable reserves in the plan of further technical improvement, which, of course, is leading to an increase of the output of goods by many millions of rubles.

[Question] And what is the situation with production scraps and local raw materials? How great are the reserves in the republic?

[Answer] For the present it is impossible to call the situation here even satisfactory. The point is that until recently systematic work on the study of local resources of raw materials and scraps was not performed, their commitment to production was not carried out actively enough. I will note that according to the results of 1979 the proportion of products made from such raw materials for the ministry as a whole was only 1.24 percent. The decree of the November (1979) CPSU Central Committee Plenum suggested to us means of solving this problem. Organizational and technical measures on the performance in 1980-1983 of the necessary surveying work were elaborated, the means of the use of local gem stone and vegetable raw materials, the carrying out of the retooling of enterprises engaged in the production of construction materials and the development of the production of cleansers from local volcanic ash were indicated, the construction in the Nakhichevanskaya ASSR of a plant for the production of facing tiles made of travertine was planned.

And in just 1 year the output of products made from local raw materials and scraps increased 2.8-fold. The production of 40 types of goods was assimilated: souvenir items made from the windfall of valuable species of trees, earthenware and ceramic items, facing tiles, various textile and haberdashery items made from scraps of velour, pillows made from synthetic fur, sets of colored children's paper made from scraps of wallpaper production, putties made from marble dust, sets of children's tableware made from scrap metal, rolling pins for dough, potato mashers, gratings for tubs and so on. Such products worth 11.9 million rubles were produced as against 4.3 million rubles in 1979.

This is just the beginning of much work. During the 11th Five-Year Plan the further development of the production of consumer goods made from local raw materials and scraps at enterprises of local industry is planned. A large set of surveying operations, the development of operating capacities and the creation of new ones will ensure an increase of the production volume of these goods by more than four-fold.

[Question] In the discussion you touched upon a number of problems, the solution of which will make it possible to use extensively industrial waste products and local resources for increasing the output of mass demand goods. Tell us about this in greater detail.

[Answer] Of course, we are obligated to find additional resources for increasing the production of goods of everyday demand. However, now they have begun too often to identify local industry with local raw materials. And this is utterly incorrect. All sectors of the national economy should strive for the maximum utilization of these raw materials and industrial waste products.

But with reference to local industry it should be defined concretely what kind of raw materials these are and where this raw material base is. I will cite an example. Local clay for the production of brick is, perhaps, our only material which falls under the concept "local raw materials." However, its processing presumes the building of specialized plants, which according to the sectorial attribute belong to the construction materials industry. And this means that the capital investments for their construction are primarily allocated to the ministries of construction materials. It is unprofitable to organize small sections.

For example, in 1975 a shop for the production of ceramic items made from local clay with an annual output of products of only 400,000 rubles was built in Geokchayskiy Rayon. It somehow made ends meet. Now that a great need for earthenware and ceramic products has appeared, the renovation of this shop is equivalent to the construction of a mighty enterprise.

Returning to the question of what local raw materials and scraps are, I will say that various opinions exist concerning them. For example, it is customary to believe that local resources are, primarily, what is not centrally allocated. A question arises. What is now not centrally allocated? The same thing also applies to production scraps. When it is a question of the scraps of one's own production, the matter is simpler. Although in this case we are also striving for the decrease of their formation, by making the rates of consumption stricter and improving the production technology. But the scraps in other sectors of the national economy should also tend to decrease. As you see, industrial waste products cannot be a stable source for local industry, especially as now they are being used more and more at the enterprises at which they are formed.

It is constantly being said that the organs of the Main Administration of Supply and Gosplan of the republic should keep a systematic and complete record of production scraps and regularly inform production organizations about their amounts, types, prices and so on. The same thing also applies to local types of raw materials, to which it is moreover necessary to give a more precise definition and to outline means of their use.

[Question] And all the same, is this matter necessary, promising and advantageous?

[Answer] This is undeniable. But this is what it is a question of. In our opinion, there is no proper clarity in the evaluation of the degree and value of the scraps used when producing individual goods. According to standard documents an item can be considered to be made from scraps, if in the total value of the used materials they make up not less than 50 percent. First, there are few such items. Very often the packaging is worth more than the value of the material from which one item or another was produced, even if it is made completely out of scraps. Second, why not take into account 25 percent or more scraps? And if it is taken into account, how does one "derive" from the total value of the raw materials and materials the value of the scraps used in the packaging? This question is far from idle for us.

It seems that in addition to the instructions of the Central Statistical Administration a statute, which gives answers to these questions of production workers, should be elaborated. It is also necessary to specify whether scraps can be taken into account, if they were obtained in accordance with the assets or in accordance with some other documents, which regulate their amount and sources. It would be advisable also to make additions to the statute on the formation of incentive funds for the payment of bonuses to collectives engaged in the output of mass demand goods.

[Question] Are the considerable increase of the production volumes of goods and the dynamics of the updating of the assortment, apparently, a result of the study of demand and commercial activity?

[Answer] Of course, we engage in this work daily, but are trying to approach such questions more broadly. For the problems which I mentioned--secondary raw materials and others--are a result of the search for possibilities of strengthening the economy of enterprises and improving their economic operations. And hence, of their commercial expedience and social utility.

It is believed that local industry should meet, primarily, the demands of the local market, therefore the importing of these goods from other economic regions, as a rule, should be ruled out. However, in recent times a significant amendment has been made to this opinion. The point is that individual enterprises of local industry as a result of their expansion and retooling have achieved such capacities which not only make it possible to meet completely the need of the local market, but also can supply the union market.

At a number of our enterprises today, for example, kerchief items made from wool cloth are being produced in volumes which exceed the needs of the republic. Is it necessary to check the development of these enterprises only because the republic market has been saturated? I do not think so. Local industry must be enlisted more in the production of individual goods on the scale of the country if only in order not to build enterprises of a similar production structure in other regions. Here the advisability of coordinating the efforts of local industry on the production of a specific list of goods on a regional scale is reconfirmed. The related sectors of Moldavia, Belorussia and the Baltic republics have good experience in this sense. I believe that such a coordinating council would also be useful for Transcaucasia.

As for our daily commercial activity, it is connected with trade by many threads. Otherwise we would not be able to solve the most important questions of production both of a day-to-day nature and for the future. For during the 11th Five-Year Plan the ministry intends to increase considerably the capacities for the production of cultural, personal and household items. But of what kind, how many? For example, trade is asking us to provide as many more technically complex goods as possible and we have expanded their output. In this work local industry is using extensively the potentials of the Baku Branch of the All-Union Permanent Pavilion of the Best Models of Consumer Goods attached to the USSR Ministry of Trade. In particular, a field conference, at which the list of goods liable to assimilation during the coming years was specified jointly with specialists of trade and the branch, was held. More than 120 different items--from the simplest to technically complex ones--were selected, and they were all included in a special plan of the assimilation of new goods. Such a form of cooperation makes it possible to determine more precisely the conditions of the market and to shorten the time for its study.



In recent times we have begun to use in practice the joint review with the republic Ministry of Trade of the assortment and quality of the goods being produced. The executives of the wholesale bases and the directors of enterprises, who have the opportunity to make counterclaims and to determine the means of overcoming the shortcomings, are invited to such conferences.

The increase of the quality of goods is connected with the retooling of the enterprises of the sector. In the recent past it was believed that the use of equipment being written off in other sectors was the main source of the replenishment of the pool of technological equipment at our enterprises. Now, owing to much attention of the Central Committee of the Communist Party of Azerbaijan and the republic government we have been afforded considerable opportunities to update substantially the operating pool with modern domestic and foreign equipment. This will make it possible to improve considerably the quality of many types of consumer goods, to increase the volumes of their output and, hence, to meet more completely the demands of trade.

[Question] And what changes will occur in the pattern of the production of consumer goods in the sector?

[Answer] A significant increase of the output of mass demand goods in local industry of the republic is planned during the 11th Five-Year Plan. The volume of industrial production in 1985 will have increased by 47.2 percent, including cultural and personal goods by 2.3-fold, products made from local raw materials and scraps by fourfold. Labor productivity will increase by 34 percent.

The further freeing of local industry from the production of products not characteristic for our conditions is called for in the plans. The output of leather footwear has already been halted, the production of a number of items which also belong to the production structure of light industry: silk, cotton and wool fabrics and so on, is being stabilized at the achieved level and for some items is being reduced. The planned growth rate of production should be achieved by the increase of the output of items which according to the gross consumption cannot be compared in any way with the output of light industry. Taking into account these difficulties and the need for the rapid development of works which are based on the use of local raw material resources, it is envisaged during the five-year plan to carry out the construction of new enterprises of local industry and to renovate 42 operating ones. Plants will be built for the production of various items made from glass and crystal with a capacity of 5 million rubles a year, decorative items made from gem stones--3 million rubles, facing tiles made from granite and marble in Nakhichevan'--2 million rubles, plastic items--up to 10 million rubles, household chemicals made from the waste products of the chemical industry in Sumgait--1.5 million rubles, metal items in Stepanakert--3 million rubles, decorative tiles and souvenir items in Askeran--1 million rubles.

It has been decided to build modern rug weaving factories in 13 rayons of the republic, including Lenkoranskiy, Ismailinskiy, Kubinskiy and Kel'badsharskiy Rayons, as well as in the Nakhichevanskaya ASSR and the Nagorno-Karabakhskaya Autonomous Oblast.

The fulfillment of the assignments outlined by the five-year plan will require from all the collectives of our sector the mobilization of manpower and material resources

and the improvement of the organization of production management. Both the acceleration of scientific and technical progress and the improvement of the structure of the industrial complex should be subordinate to this. The results of previous years testify that we can successfully cope with this.

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## CONSUMER GOODS PRODUCTION AND DISTRIBUTION

### TEXTILE, HOUSEHOLD GOODS PRODUCTION PROBLEMS

Moscow IZVESTIYA in Russian 7 May 82 p 2

[Article by the Letters Department of IZVESTIYA: "Shortages Amidst Surpluses"]

[Text] The publications "Goods for the Home" and "Again About New Things" (IZVESTIYA, No 7 and No 15) generated much readers' mail. In the enormous amount of goods appearing on the counters of stores the shoppers are especially noting items which contain new consumer qualities and, of course, are greeting the increase of the output of a large number of goods which it was previously difficult to find for sale: synthetic detergents, cotton thread, underwear for children of nursery age, children's pants and others. However, the problem raised in the newspaper has still not been removed from the agenda.

Of the many questions which worry the readers, let us dwell on two: How does one dress smartly and how does one better furnish one's home? The readers report, in particular, irregularities in the trade in cotton robes, hosiery, towels and sportswear made from cotton.

P. Abramchuk from Cherkasskaya Oblast, V. Matinov from Kerch', Muscovite N. Kolesnikov, P. Bondarenko from Rostovskaya Oblast and V. Kozlov from Dushanbe express bewilderment: if production is increasing, why does the shortage remain? In response to the article "Again About New Things" reader V. Pikalova from the city of Torez of Donetskaya Oblast exclaims: "Where are these sheets and pillowcases, blanket covers and underwear, women's dresses and robes, the towels everyone needs daily, to say nothing of prints, sateens and other fabrics made from cotton! What made them decrease the output of goods necessary for everyone?"

Let us stress immediately: the production of items made from cotton is not decreasing, but is increasing. In 1981 the enterprises of the USSR Ministry of Light Industry produced more than 8 billion m of cotton fabrics. More than 6 billion m of them were allocated for sale to the population through the trade network, as well as to drugstores (gauze), for the production of underwear and clothing, including special work clothing. As a whole the supply of cotton fabrics increased by 14 percent. Indeed, in a number of instances the irregularities with respect to these items arise due to miscalculations in the planning of the assortment. For example, the pattern of the production of children's pants is such that a shortage of items of sizes 12-14 and 22 was felt with a surplus of items of sizes 18-20.

Moreover, the shortcomings in the organization of trade in items made from cotton are having an effect, which often leads to the creation of an irrational consumer stock among individual categories of shoppers. Purchasing "for an emergency"--this reverse side of the shortage--for the present is making itself felt, and at times perceptibly. Specialists are proposing methods of the more efficient organization of trade in these items. Apparently, the ministries of trade of the republics should review such suggestions.

In his letter D. Chmykhov, director of the Brody Sewing Factory, touched upon the question of the planning of the children's assortment. "Not only our, but also many other factories," he writes, "have been deprived of the opportunity to make at the wholesale textile trade fair the selection and purchase of fabric at our own discretion. The registration of the specification and agreement on the delivery by textile enterprises of the fabrics, which are allocated by superior planning organizations, take place at the trade fair. The matter reaches the point of absurdity: the sewing factories do not have the right even to choose the pattern of the fabric because the textile enterprises are limited in dyes and thread."

An important reserve, to which the readers direct attention, is the reduction of the output of unmarketable goods, in which considerable resources have been frozen. Indeed, the nonconformity of the assortment and quality of goods to the demand of the population leads to the formation of old stocks of items and to the increase of above-standard stocks. Here is a surplus amidst shortages! The reason for the formed situation is the slow updating of the assortment, which for fabrics amounts to less than one-fourth of the assortment, while for garments it is less than one-half and knitwear--about one-third.

The delivery of many items takes place without regard for the structure of the demand of the population according to the amounts and increases. With reference to this G. Prikhod'ko from Dneprodzerzhinsk writes with a sense of resentment: "It is as if the sewing industry 'forgot' about middle-aged people. In the stores you see styles and sizes mainly for young people. But what is good and beautiful at a young age is not always suitable at middle age. And the quality of construction and the color of the fabric are often such, that you would not want to replace an old thing with a new one." The data of the studies of demand, which were conducted by the All-Union Scientific Research Institute of Consumer Demand and Market Conditions, generally confirm this opinion. Even with the incomplete satisfaction of the orders of trade garments worth 419 million rubles, fabrics worth 285 million rubles and knitwear worth 121 million rubles were not bought up for sale in 1982. Among the garments men's overcoats alone worth 58 million rubles, many suits, pants, coats and jackets were not bought up. The point is that industry for many years has been producing these items in monotonous styles and models, from fabrics which do not meet the requirements of customers. At the same time an increasing shortage of insulated jackets and raincoats made from blended fabrics is being felt in trade.

Finally, considerable resources are being shifted for the production of low quality products. During the check even goods of the highest quality ended up among the rejects: from 4 to 6 percent of the cotton fabrics, garments and leather footwear. All this, of course, is aggravating the shortage of commodity resources.

And what new things is trade offering for the home? The readers speak approvingly of the search being made at the Moscow Stroyplastmass Association and of the

production, which has been organized here, of decorative self-adhesive film for the decorating of apartments, carpet floorings and the decorative panels polidekor, poliform, dekort and others. At the same time many letters arrived, in which it is stated that it is difficult to buy not only self-adhesive film, but also ordinary paper wallpaper.

V. Shakhlina from Sverdlovskaya Oblast directs attention to the following circumstance: many useful and inexpensive items for the home have begun to disappear from the market, while more unwieldy and expensive ones, but then ones embellished with decorations of different kinds, are appearing in their place. It has become difficult to buy an ordinary kitchen shelf, a leaf table, a small writing desk. Instead of this trade offers kitchen sets, sets of cabinet furniture, which you would not squeeze into any apartment. But materials, which it would be possible to use more efficiently and to meet the needs of a broader group of customers, are being used in large amounts for these items.

The inadequate assortment and the low esthetic level of many lighting fixtures being produced in the country were noted in the article "Goods for the Home." V. Pozdnyakovskiy, chief of the production administration of the Ministry of the Electrical Equipment Industry, in a response concerning this reports that in 1982 the production volume of household lighting fixtures in the country is exceeding 20 million units, while their assortment is exceeding 3,200 type designs. Items of the electrical equipment industry, which annually updates the assortment by one-fourth, make up nearly half of this amount.

So where do the obsolete models in stores, which are not in demand by customers, come from? V. Pozdnyakovskiy explains this by the fact that a large number of enterprises of different sectors of the national economy, which do not have a specialized design and production base, have been enlisted in their production. The shortage of modern light-scattering and decorative finishing construction materials is named as another important cause. But is it possible to justify by this the situation when stores are loaded with lighting fixtures, while customers frequently leave without anything? Of course not!

Letters, in which the shortage of voltaic cells is discussed, continue to arrive. N. Ivanov from Syzran' shared his sense of resentment: seeing him off to a deserved vacation, his workmates gave him a transistor radio, but the life of the batteries ended, and the radio fell silent. The same thing also happened with the toy dump truck, which N. Ivanov himself bought for his grandson: the batteries failed, and the toy ceased to move. But he was not able to buy new voltaic cells.

Soyuzelektroistchnik of the Ministry of the Electrical Equipment Industry produces them. The need for batteries is increasing, but production lags. Last year with the order of trade for 850 million batteries only 470 million were delivered. As for the most popular ones--"crowns" and KBS's, which N. Ivanov has been unsuccessfully seeking, of the ordered 295 million units only 77 million were delivered. The problems slowing production are well known: the lack of capacities, the shortage of raw materials, the lack of scientific developments in this sphere. While the debates go on, the transistor radios, electric toys and tape recorders, which are being produced in greater and greater numbers, are doomed to idleness.

For the purpose of enlarging the assortment and improving the quality of goods on the basis of the more extensive development of production cooperation the evaluation of the activity of a number of ministries, departments, associations and enterprises on fulfilling the plan of the production of cultural and household items is being made today according to the total production volume, including components, assemblies and parts. This measure is conducive to the increase of the amount of goods being produced.

Satisfied demand cannot but be pleasing. But a surplus of some goods cannot but be disappointing while there is not enough of others. The task is to create a situation in which demand and supply keep in step. Then there will be no shortages in the midst of surpluses.

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## CONSUMER GOODS PRODUCTION AND DISTRIBUTION

### MOTORCYCLE SPARE PARTS

Moscow SOTSIALISTICHESKAYA INDUSTRIYA in Russian 6 May 82 p 2

[Article by F. Tserevitinov: "Without a Spoke in the Chariot"]

[Text] Dear editorial board! I am turning to you after I have exhausted all possibilities of obtaining a muffler for my Ural-2 motorcycle through the bases of Posyltorg, in the products list of which these spare parts are included. I have been receiving from everywhere polite typographic rejections. My new motorcycle has been standing idle for more than a month. The one "consolation" is that I am far from alone in my ordeals: many of my friends who like motoring regularly receive from the bases instead of spare parts heartless "form No 4." I would like to read on the pages of the newspaper why such a situation has formed and what is being done to solve the problem.

N. Kosenkov

Chelyabinsk

The problem of spare parts for motorcycles worries a significant portion of our readers. The letters of V. Shilov from Krasnokamensk and N. Zhevlakov from Yalta, A. Ternilovskiy from Minsk and A. Mrykhin from Kamensk-Shakhtinskiy of Rostovskaya Oblast and many, many others attest to this. Our first conversation is with those who send the polite rejections.

"Last year 5,300 complaints about the lack of spare parts for motor scooters, motorcycles and motorized wheelchairs arrived at the office of Posyltorg," says G. Tipukhyan, chief of the RSFSR office of Posyltorg. "Believe me, it happens that you get furious yourself. Here, for example, is the letter of a disabled person: 'Heartless people, understand that the motorized wheelchair is my legs!' To think that we should have to hear such reproaches! And the most annoying thing is that all these complaints are meant for trade which, as they say, is not at all to blame.

"The acute shortage of spare parts for motorcycles rests on the conscience of the manufacturing plants. Last year we levied nearly 1.5 million rubles in fines from plants for the nondelivery of spare parts. But a fine is, after all, not a gear,

not a wheel, you will not go anywhere on it. It is more profitable, it seems, for enterprises to pay off a fine than to set up the production of products which the people need so much. And as a result this year we cannot put anyone on the waiting list, because so far the orders of those on the waiting list from not only 1981, but also 1980 have not been filled.

"Letters are also going to the plants. But the response, as a rule, is: 'The enterprise does not fill private orders. All the output produced by the plant is delivered to the trade network.' And those, who for some descriptions fulfill the plan of supply by 3-5 percent, write this! In my opinion, this problem is already shifting from the material sphere to the social sphere. And the moral sphere, if you wish.

"The whole point is that the enterprises are not responsible for the subsequent fate of their products. A person, having borne a child, becomes responsible for his fate, feeds, dresses and treats him. But the enterprise, in spite of the clear instructions of the party and the government, fairly often shirks its 'parental' duties. When hammering out the next model and trying to put it into production as quickly as possible, the plant promises the moon. But the first 'child' has left the gates, you look, in a year or two it is already without clothes and shoes.

"I cannot say that all plants take a contemptuous attitude toward deliveries of spare parts. For example, the Irbit Motorcycle Plant annually fulfills the plan by nearly 100 percent. But then you would not speak well of the Kiev Motorcycle Plant or the Izhmash Plant. Unfortunately, in recent times the plant in Minsk has also begun to head in this direction. I believe that if such a need exists, it is better to decrease the output of finished motorcycles and to increase by means of this the production of spare parts."

"At present in the country there are about 8 million owners of motorcycles and motor scooters," V. Korsunov, deputy chief of the Administration of Trade in Cultural, Personal and Household Goods of the RSFSR Ministry of Trade, continues our discussion. "This is an enormous army, it is steadily growing and demanding more and more attention. But instead of this it is faced with ever increasing difficulties in the acquisition of spare parts. And not only in the system of Posyltorg, but also in all trade. Let us turn to the figures: each year assets are allocated to us for filling only 70-80 percent of our orders. And only three-fourths of the cut assets are being provided. For some enterprises the situation is even worse. For example, the deliveries of the Michurinsk Machine Building Plant imeni V. I. Lenin do not even come to 40 percent of the amount stipulated by the contract.

"It is we who are taking the rampart. But with respect to some descriptions it is very bad. Last year the Kiev Motorcycle Plant delivered only 1,460 KMZ-8 motors, or 7.3 percent of the planned number, cylinder heads--20.5 percent, crankshafts--17 percent.

"The saddest thing is that we have practically no means for combating such phenomena. Negotiations, persuasion, fines--this entire arsenal has become ineffective. Apparently, additional socioeconomic measures of influence on the producers are needed. But many of them, although they would not dare show themselves to the consumers of their products, in their own sector are among the leaders and receive bonuses."

Such is the opinion of trade. But what do they think about this in the Ministry of the Automotive Industry. We addressed this question to V. Kostyukov, deputy chief of the Soyuzmotoveloprom All-Union Production Association.

"Indeed, the situation with spare parts for motorcycles at present is unenviable. I will not dwell on the erratic delivery of components and the fact that many enterprises, which produce spare parts, do not belong to our ministry. I will speak about the main thing: the real current demand for spare parts exceeds by many times our own predictions.

"According to estimates, the motorcycles produced in the 1960's and early 1970's should have served their owners for 8-10 years. But in practice it turned out that a significant portion of them to this day are also in operation.

"Of course, the bulk of the blame falls to our enterprises. For several years now, for example, the Kiev Motorcycle Plant has worried us. True, last year the picture improved somewhat. The change of management and the speeding up of the rate of renovation had a positive effect. During the first months of this year the Kiev workers increased the production of spare parts.

"We have also taken other steps to solve the problem as a whole. First, the warranty life of motorcycles has been increased from 20,000 to 40,000 km, which, to be sure, will increase the responsibility of plants for the fate of their products. Second, the growth rate of the production of spare parts during the current five-year plan should considerably exceed the growth rate of the output of finished machines. We will keep strict track of the realization of this situation. I believe that during the current five-year plan the problem of spare parts will basically be solved.

"But I want to note that trade is also far from innocent. For many years we have made suggestions to pool our efforts. But not one of our suggestions received a positive response.

"It is a question first of all of ascertaining the real demand. At the annual trade fairs we meet with the representatives of wholesale bases and on the basis of the obtained information attempt to reconstruct the overall picture of demand. Unfortunately, this information is often far from reality, which undermines the confidence of manufacturers in the forecasts. For example, about 7 years ago the RSFSR Ministry of Trade sent us a long-term order for 200,000 crank mechanism a year. The order is large, we reorganized the work of enterprises and incited the reorganization of related industries. But after 2 years the market was saturated, and trade purchased only 150,000 mechanisms. The enterprises 'became overstocked,' it was necessary to change over again. But all this is losses.

"Poor acquaintance with demand also leads to the following situations: at one base they are worried due to the lack of some part, assembly, while at another all the warehouses are stuffed with them. So that, in addition to a real shortage, an artificial shortage is created, which confuses everyone. Everyone except the speculator--he knows how to warm his hands on this."

From the editorial board. Thus, both sides have lodged their own complaints against each other. The complaints are by no means

trifling. But, it must be assumed, this is not the first such instance--both parties quite regularly exchange just reproaches. But the situation is changing extremely slowly. Apparently, it is time to shift from mutual complaints to strict mutual responsibility, from the search for a mutually convenient compromise at the expense of the consumer to the introduction of a mutually binding decision in the name of the protection of the rights of the consumer. In the spirit of the requirements of the recent decree of the CPSU Central Committee and the USSR Council of Ministers "On the Increase of the Production of Mass Demand Goods, the Increase of the Quality and the Improvement of Their Assortment During 1981-1985."

Spare parts today are the greatest bottleneck in the operation of not only motorcycles. Thousands of refrigerators, washing machines, televisions and a large number of other types of household appliances are standing idle due to the shortage of these unprestigious and unprofitable products.

The editorial board would like to know the opinion of the readers on the broached problem. We also hope that the ministries and departments involved in its solution will express their position.

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## CONSUMPTION TRENDS AND POLICIES

### RETAIL TRADE ACHIEVEMENTS, GOALS FOR 1982

Moscow SOVETSKAYA TORGOVLYA in Russian No 3, 1982 pp 5-9

[Article: "Trade--1982"]

[Text] The 26th CPSU Congress, in outlining the aims of the 11th Five-Year Plan, specified as its main task the assurance of the further increase of the well-being of the Soviet people on the basis of the steady, progressive development of the national economy, the acceleration of scientific and technical progress, the change-over to the economy to the intensive means of development, the more efficient use of the production potential, the utmost economy of all types of resources and the improvement of work quality.

The state plans of the economic and social development of the country for 1981-1985 and for 1982, which were approved at the November (1981) CPSU Central Committee Plenum and were adopted by the session of the USSR Supreme Soviet, stipulate specific means of the successful accomplishment of this task. The national income of the country will increase during the 5-year period by 18 percent, in the total amount of national income the proportion used for consumption will increase by 1985 to 78 percent as against 75.3 percent in 1980. The output of production of the sectors which produce consumer goods (group B) will increase at a leading rate. In light industry production will increase during the 5-year period by 19 percent, the output of cultural, personal and household items will increase 1.4-fold. Special attention will be devoted to the increase of the production of basic necessities and mass demand goods, the improvement of the quality of items and the enlargement of their assortment.

As Comrade L. I. Brezhnev emphasized in a speech at the November (1981) CPSU Central Committee Plenum, the food problem is the central problem of the entire five-year plan on both the economic and the political levels. For its solution it is envisaged to include a comprehensive food program in the new five-year plan of the economic and social development of the country. The average annual harvest of grain during the 5-year period should be increased by nearly 35 million tons, the production of meat--by more than 2 million tons, the production of potatoes, vegetables and fruits will increase substantially. The output of products of the food, meat and dairy sectors of industry will increase by 23 percent.

During the 11th Five-Year Plan the increase of the production of consumer goods as a whole should come to 26 percent, while the increase of the retail commodity turnover of state and cooperative trade (in comparable prices) should be 23 percent, or

on the average 4.2 percent a year. As compared with 1980 the volume of the retail commodity turnover will increase in comparable prices by 61.4 billion rubles and in 1985 will amount to 345 billion rubles. For 1982 the plan of the retail commodity turnover has been approved in the amount of 300 billion rubles.

In conformity with the measures on the assurance of a leading growth rate of the income of kolkhoz farmers and the further convergence of the consumption of urban and rural inhabitants, as during preceding five-year plans, the rural per capita retail commodity turnover will increase more rapidly. During the 5-year period it will increase by 22 percent, while per urban resident it will increase by 15 percent.

The achievement of the gains envisaged by the plans in the development of the retail commodity turnover requires the increase of the coordination in the work of all the collectives of enterprises of retail and wholesale trade and public dining, the elimination of shortcomings and the mobilization of the efforts of every worker of the sector. It is necessary to consolidate and develop the results of the first year of the five-year plan. And they were quite good. The retail commodity turnover of state and cooperative trade was developed more rapidly in 1981 than on the average in 1976-1980.

The plan was fulfilled for the country as a whole ahead of time--on 25 December, various goods worth more than 5 billion rubles were sold to the population in excess of the plan. Along with the additional assignment the fulfillment of the plan came to 100.6 percent. As compared with 1980 the volume of the retail commodity turnover in comparable prices increased by 11.8 billion rubles and came to 283.6 billion rubles.

Both state trade and consumer cooperatives coped successfully with the plan. The volume of the commodity turnover of state trade in comparable prices increased by 4.7 percent, while that of consumer cooperatives increased by 3.7 percent. All the union republics fulfilled the plan of the retail commodity turnover. The sale of meat and poultry, fish products, herring, canned fish, fruits and berries, eggs and macaroni items increased. The sale of items of light industry and especially cultural, personal and household goods increased considerably.

The workers of public dining made a substantial contribution to the development of the commodity turnover. Its turnover increased during the year by 3.5 percent and came to 25 billion rubles. The "food shops" of the country produced last year dinner products worth 16.9 billion rubles, or 4.4 percent more than in 1980.

The material and technical base of trade was expanded and improved qualitatively, the forms and methods of selling goods are improving. In 1981 in all 1.3 billion rubles of capital investments were allocated from all sources of financing for the development of the trade and warehouse network, its technical equipment and the construction of other facilities of the sector, which are necessary for the improvement of its functioning. Diverse technological trade equipment and machines worth 372 million rubles were delivered for the equipment of the enterprises of the sector. The volume of sales of goods by the self-service method for the country as a whole approached 60 percent of the retail commodity turnover, while in a number of republics it considerably exceeds this level.

Everything said testifies that there is a good base for not only the fulfillment, but also the exceeding of the plan assignments set for the 11th Five-Year Plan and 1982, as the decree of the November (1981) CPSU Central Committee Plenum obliges.

The all-out search for additional commodity resources for the more complete satisfaction of the demand of the population, as before, remains one of the main tasks facing the sector during the current five-year plan. The wholesale organizations of the ministries of trade of the union republics should ensure the monitoring of the complete distribution at enterprises of industry of the production volumes of consumer goods, which were approved by the state plan. Strict recording of the fulfillment by enterprises of industry of the plans of the production and delivery to trade of the goods, the assignments on the output of which were approved by the well-known decrees of the CPSU Central Committee and the USSR Council of Ministers on the increase of the production of basic necessities and mass demand goods, the increase of their quality and the improvement of the assortment, should be organized.

Within the framework of the 5-year agreements concluded with associations of industry, as is stipulated by the decree of the CPSU Central Committee and the USSR Council of Ministers on the improvement of planning and the perfection of the economic mechanism, it is necessary to constantly perform work on the increase of the output of goods needed by the population, the bringing of the plans of production according to the volume and assortment in line with the orders of trade organizations, the increase of the quality of the goods being produced, the improvement of their packaging and design, the expansion of the production of packaged goods and to influence industry more strictly for its meeting of the requirements of the market. For these purposes the marketable stocks of basic goods for all the years of the five-year plan have been reported for the first time to local trade organs.

Trade organizations by no means should tolerate cases of the halt of the output or the decrease of the production of goods needed by the population and violations of state discipline in the meeting of contractual obligations on their delivery to trade.

It is necessary to seek every day reserves of the increase of the production of goods by means of local resources. The possibilities for this exist in all the union republics, but, unfortunately, they are not being fully utilized everywhere. As before, the proportion of local resources is low in the commodity turnover of the Kazakh, Lithuanian and Kirghiz union republics (3.9 percent) and the RSFSR (4.5 percent).

The planning estimates of the commodity supply of the retail commodity turnover from year to year envisage an increase of the proportion of goods coming from local sources. They are oriented toward the expansion of the simplest types of furniture, earthenware, ceramic and metallic utensils, hardware items, orchard and garden implements, sporting goods, souvenirs and many other household, cultural and personal goods, which are simple, but needed by the population, on the basis of the use of local raw materials, production scraps, the capacities of union, republic and local industry, subsidiary enterprises, the small industries of kolkhozes and sovkhoses and so forth. Therefore, to be sure, the lack of small industries for the production of consumer goods at the kolkhozes and sovkhoses of Azerbaijan, Georgia, Armenia, Tajikistan and Turkmenia or the decrease of the production of goods by the

small industries of the kolkhozes and sovkhoses of the RSFSR, Kazakhstan, Lithuania and Kirghizia is unjustified. Meanwhile in the Azerbaijan, Uzbek, Turkmen, Georgian, Armenian, Tajik and Kirghiz union republics the development of the retail commodity turnover is envisaged at the highest rate, since its per capita volume still lags behind the average union indicator. For the accomplishment of these tasks it is necessary to expand the local production of goods and to increase their quality.

The organs of the administration of trade of the union republics and the oblast (kray) and city executive committees of the soviets of people's deputies should raise insistently the questions connected with the increase of the output of goods from local resources and should seek their settlement from their regional planning organs.

For the improvement of the supply of the population with foodstuffs it is necessary to utilize more completely the potentials of subsidiary farms, pond fish breeding, the increase of the catch of fish in local reservoirs, the development of hog fattening on food scraps at production enterprises and at organizations of public dining and trade. And wherever the proper attention is devoted to this matter, good results are available.

Many subsidiary farms of trade organizations of the RSFSR, the Ukrainian and Uzbek union republics, for example, are successfully engaging in the fattening of hogs. In the Uzbek union republic in 1981 more than 1,000 tons of weight gain (in live weight) were obtained from this source. At the same time the production volumes of pork are still low at the subsidiary farms of the Azerbaijan SSR, the Turkmen SSR, the Tajik SSR, the Kirghiz SSR and a number of other republics. Here the fattening base is still being developed by means of small farms and is not being completely utilized.

Trade organizations need to use more mobilely the reserve commodity stocks in both the retail and the wholesale units. The growth of the production of goods and the increase of the value of the mass of goods, which entered trade in 1981, improved the backing of the plan of the retail commodity turnover, which was established for the second year of the five-year plan, with reserve commodity stocks, and this is an important reserve of its fulfillment. It should be noted, however, that a high level of above-standard reserve commodity stocks is being persistently retained in a number of regions. This pertains first of all to the republics of Central Asia and Transcaucasia. Thus, at the end of 1981 the reserve commodity stocks considerably exceeded the standard in the Azerbaijan, Uzbek, Georgian, Armenian, Turkmen and Tajik union republics.

The main cause of the accumulation of above-standard stocks in these republics is connected with shortcomings of the commercial and economic planning work and first of all in the wholesale unit. Here the work on the formation and making up of the assortment of goods (especially those brought in from other republics) has been poorly organized, the shipment of goods to the retail trade network is often carried out without the necessary sorting, the proper demandingness on the quality of the arriving products is not being ensured, the dates of their delivery to the retail network are not being observed. As a result, a significant number of goods of low quality, which are not in demand, are getting to the stores.



Such shortcomings in work are characteristic not only of these regions. Therefore, for the purpose of increasing the responsibility of the wholesale unit for the observance of contractual obligations to retail trade on the delivery of goods on the stipulated date and in the agreed on assortment in a number of union republics at 50 wholesale bases of different commodity specializations as a experiment the formation of the stimulation funds and the payment of bonuses to workers were made directly dependent on their fulfillment of the contracts concluded with retail trade organizations. At the same time at several retail trade organizations an experiment, which envisages the reporting of the state plan of the retail commodity turnover only to the trade organization, is being conducted in order to orient the workers of stores toward the supply of trade with goods in a wide assortment and toward the constant availability for sale of goods which are small, inexpensive, but needed by the population. The volume of the commodity turnover is reported as an estimate indicator to the stores, to which the Statute on the State Production Association does not apply. Here the system of material stimulation envisages the encouragement of workers for the constant availability on sale of goods available in abundance in conformity with the approved assortment list and for high standards of the service of customers. The goal of this experiment also consists in increasing the flexibility in the distribution and redistribution of commodity resources among stores, affording trade organizations more opportunities to carry out the complete rationalization of the trade network and adapting the work schedule and assortments specialization of stores more efficiently to the needs of the served population.

The wholesale bases and trade organizations, which are conducting the experiment, their economic services and the organs of the management of trade, to which they are subordinate, should study the results of the experiment in order to increase on their basis the level of planning and the efficiency of the operation of enterprises.

The growth of the retail commodity turnover and the increase of the demands of the population on the assortment and quality of goods are facing trade workers with more and more complicated tasks on the study of demand. Without a thorough knowledge of the local peculiarities of the development of demand and of its structure, which is forming in different administrative economic regions, it is impossible to ensure the reliability of the requisitions and orders for goods, to plan and distribute assets in a sound manner and to compile estimates of the commodity backing of the retail commodity turnover.

The decree "On Measures on the Further Development of Trade and the Improvement of the Trade Service of the Population During the 11th Five-Year Plan," which was recently adopted by the party Central Committee and the USSR Council of Ministers, is a program document which specifies the main directions of the development of trade during the current five-year plan.

The five-year plan set the task to increase by 23 percent the volume of the retail turnover with a smaller amount of capital investments as compared with the 10th Five-Year Plan and with the limitation of the increase of the number of workers, which beginning in 1982 will be strictly limited centrally by approved indicators of the plan on labor and the wage fund. Therefore, in the decree much attention is devoted to intensive factors of the development of the sector, the increase of its efficiency and the more efficient use of material, financial and manpower resources.

Measures on the improvement of individual subsectors of trade on the basis of complete rationalization, which will make it possible with fewer capital expenditures to obtain a greater economic impact and to improve the service of the population at operating trade enterprises, are specified by the decree as one of the main directions of development. The councils of ministers of the union and autonomous republics, the executive committees of kray, oblast, city and rayon soviets of people's deputies, the USSR Ministry of Trade and Tsentrosoyuz have been instructed to elaborate and implement in 1981-1985 comprehensive territorial intersectorial programs of the rationalization of state and cooperative trade, which are balanced with financial and material resources.

In retail trade when carrying out complete rationalization the renovation, reequipping, efficient specialization and respecialization of the existing network of stores for the more efficient use of their floor space have to be carried out on an extensive scale. The concentration of the sale of goods produced by light industry, as well as technically complex goods at specialized and firm stores, department stores, trade centers and other large trade enterprises and of goods of everyday demand at stores like the self-service department store will be continued.

Advanced forms of trade: self-service, the sale of large goods by models, with their delivery to the home of the buyers directly from the enterprises of industry or from the warehouses of trade organizations, the acceptance of advance orders for foodstuffs through order desks and centers, especially at industrial enterprises, will undergo further development. During the current five-year plan it is proposed to complete the changeover to self-service of all stores, at which the technology permits this and it is feasible from the standpoint of the reduction of the need for manpower resources.

The organization of the collection of empty glass containers from the population will be improved. For these purposes it is planned to expand the network of centers for their receipt, first of all on the basis of the organization of independent mechanized enterprises and the creation in large cities of specialized bases with the subordination of this network to them.

The further increase of the role of public dining in meeting the needs of the population is of great national economic importance. The rationalization of this important subsector of trade should ensure a leading ratio of its development as compared with retail trade in foodstuffs and should improve the supply of hot food to workers, kolkhoz farmers, employees and students at the place of their work and studies.

During the five-year plan it is planned to increase the commodity turnover of public dining by 19.2 percent, including the turnover with respect to the output of products of its own production by 21.6 percent. In 1982 the volume of the commodity turnover of public dining will come to 25.7 billion rubles, while with respect to the sale of its own products--17.4 billion rubles, nearly 110 million people will use the services of dining rooms, cafes and restaurants. Therefore, the workers of public dining in 1982 and subsequent years of the five-year plan are faced with the task of further increasing the network of dining rooms, cafes and restaurants. The basic direction of the development of public dining is the introduction of an industrial technology of preparing food on the basis of the centralization of the production of convenience foods of a high degree of readiness and of

delicatessen and the complete supply of enterprises with them. For this the construction of delicatessen factories will be carried out, the output of convenience foods at enterprises of the food sectors of industry, at large public dining enterprises and at specialized shops will be expanded. The construction of delicatessen factories now can also be carried out at the expense of the 5-percent deductions from the assets being allocated for housing construction.

The proportion of public dining enterprises, which are completely supplied with convenience foods, by 1985 should increase to 41 percent (according to the number of seats) as against 27.7 percent in 1980.

As before, the question of increasing the standards of service at public dining enterprises is urgent. More attention should be devoted to the provision of restaurants, cafes and bars with new types of equipment, which make it possible to carry out correctly the technological processes on the preparation of dishes and the service of guests.

Along with the tasks on the intensification of the use of the available material and technical base of trade and the assurance of the sale of the increasing amount of goods at operating enterprises with the same or a smaller number of workers an important program for the five-year plan is envisaged on the further development of the trade warehouse network.

Specific assignments on the development of the material and technical base are established for each union republic in the decree of the CPSU Central Committee and the USSR Council of Ministers on the further development of trade. The increase of the floor space of stores of state trade in 5 years should come to 3,372,100 m<sup>2</sup>. Moreover, the number of stores and divisions for the sale of convenience foods, delicatessen and confectionary items attached to production enterprises, organizations, institutions and educational institutions has to be increased by nearly 8,000. The public dining network should be increased by 3,033,200 seats, here special assignments are envisaged on its development at production enterprises, higher, secondary and vocational and technical educational institutions and general educational schools. Assignments on the placement into operation of new distribution cold-storage warehouses and general merchandise warehouses and on the construction of bases for the supply of restaurant cars are also envisaged. Assignments on the production and delivery for the fitting out of enterprises of trade and public dining of technological trade equipment, cash registers, weighing instruments, tableware, packaging and other materials have been established for the appropriate ministries and departments.

In 1981 many new facilities of trade were put into operation, among them are such large ones as the distribution cold-storage warehouses in Dnepropetrovsk, Makeyevka and Dzhezkazgan with a capacity of 3,000 to 5,600 tons, bases and warehouses of industrial goods and foodstuffs in Moscow, Leningrad, Yerevan, Baranul, Serpukhov and Cherkassy with an area of 3,000 to 15,000 m<sup>2</sup> and the House of Furniture in Riga with a area of 3,700 m<sup>2</sup>. Significant amounts of placement into operation are envisaged for 1982. Therefore, it is necessary to increase sharply the effectiveness of the use of the capital investments allocated for the development of the material and technical base by means of all sources of financing and to enlist more extensively in its development the credits of the All-Union Bank for the Financing of Capital Investments and USSR Gosbank. Here it must be taken into account that the



list of facilities of the sector, which it is permitted to construct in 1982-1985 by means of credits, has been enlarged substantially. The ministries of trade of the union republics and the administrations of trade of the oblast and kray soviet executive committees should use more completely for the construction of the trade network the 5-percent deductions from the capital investments being allocated for housing construction.

In wholesale trade when carrying out complete rationalization the further specialization and concentration of warehousing services have to be accomplished, the use for the storage and transportation of goods of containers, packets and pallets has to be expanded. It is necessary to improve sharply the use of the volumes and areas of warehouses. Starting in 1982 for wholesale bases for trade in cultural, personal and household goods and haberdashery the standards of reserve commodity stocks have been increased on the average by 10 days of the warehouse commodity turnover. This will make it possible to improve considerably the sorting of goods in the wholesale unit for the needs of retail trade.

One of the most important tasks facing the sector in 1982 and the subsequent years of the five-year plan is the increase of labor productivity and, as the primary condition for this, the decrease of the proportion of manual labor and the increase of the level of the mechanization of jobs and the machine-worker ratio of the enterprises of retail and wholesale trade and of public dining.

In this connection the implementation during the 11th Five-Year Plan of the comprehensive program of the mechanization and automation of loading and unloading, materials handling and warehousing operations will be of exceptionally great importance for the sector. The introduction of an advanced technology of commodity supply with the use of packaging equipment in retail and wholesale trade and the food sectors of industry of 16 regions--Moscow, Lipetsk, Penza, Voroshilovgrad, Simferopol', Yalta, Gomel', Tselinograd, Samarkand, Rustavi, Bel'ts, Daugavpils, Kirovakan, Tallinn, the cities of the Lithuanian SSR and Chernigovskaya Oblast of the Ukrainian SSR--is a component of this program. For the purposes of the more effective use of the available material resources and capital investments the cities and regions of the country, in which by now the necessary conditions have been created for the introduction of the measures stipulated by the program, have been included in the comprehensive program.

Today both trade and industry are bearing great expenditures on the packing and packaging of finished products, their transportation and warehousing. Such operations at the enterprises of industry make up 30-50 percent of all the labor expenditures of basic production. Moreover, on the route from the enterprises of industry to the trade floors of stores the goods are subject to repeated reloadings. The new system of the movement of goods envisages the delivery of packaged goods from industrial enterprises, the sales bases of the USSR Ministry of Procurement and the wholesale bases of trade to stores in packaging for sale by the self-service method.

During the five-year plan it is envisaged to ensure in the indicated cities and regions the introduction of a new technology of the movement of goods in the full amount, for which the necessary material resources and capital investments are being allocated. It is planned to change over stores with a total area of the trade floors of 440,000 m<sup>2</sup> to operation with the use of packaging equipment, 520,000 units



of packaging equipment will be introduced. Assignments on the creation of the necessary capacities for the packaging of foodstuffs at enterprises of industry and trade, on the organization of traffic control services with an operating system of control and others are envisaged. The accomplishment of this task is aimed at the creation in the indicated 16 cities and regions of model enterprises of trade in order to use their experience for the mass adoption of the new system of commodity supply during the next five-year plan.

The measures on the mechanization and automation of loading and unloading, materials handling and warehousing operations for 1981-1985, which have been included in the comprehensive program, will make it possible to increase the level of mechanization of operations in foreign and domestic freight traffic as a whole for the enterprises of the system of the USSR Ministry of Trade from 13.8 percent in 1980 to 39.1 percent in 1985 and to decrease the number of workers engaged in manual labor by approximately 100,000.

The achievement of the gains outlined for the five-year plan and its second year in many ways depends on the active, purposeful work of economic services at all levels of the management of the sector, the further improvement of planning, the organization of a precise labor rhythm, the economical use of all resources, the steady improvement of the economic mechanism and the sharp increase of the role of intensive factors of development and first of all such a decisive indicator of intensification as labor productivity.

However, today in the sector there are still quite a few enterprises, at which the work on the norm setting of labor is at a low level, the possibilities of combining occupations are being poorly utilized and the cases of the inefficient use of equipment are numerous. The utilization ratio, for example, of mechanical equipment at public dining enterprises does not exceed 40 percent, kettles, ovens and deep fryers--70 percent, electric stoves--70-90 percent. Materials handling and packaging equipment is being used in approximately the same way.

"The economy should be economical"--this is how Comrade L. I. Brezhnev formulated in the Accountability Report of the CPSU Central Committee to the 26th party congress the requirement on the managing of the national economy. This obligates the economic services of the sectors to seek constantly means of the more effective management of the national economy and to reveal the reserves. And there are quite a few of these reserves. Thus, during the first half of 1981 the profitability of the enterprises of retail trade and public dining as compared with last year increased slightly, the number of unprofitable enterprises decreased. However, 1 out of 8 enterprises in public dining and 1 out of 36 in retail trade continue to operate with a loss. In individual union republics the number of retail enterprises operating with a loss exceeds by many times the average union indicator, which is 3 percent. For example in the system of the Armenian SSR Ministry of Trade they make up 16 percent, in the Azerbaijan SSR--9 percent. At the public dining enterprises of the Moldavian, Kirghiz, Armenian and Turkmen union republics the commodity losses are still high, they exceed by 1.5- to 2-fold the average level for the country. In short, the questions of ensuring economy and thrift and of increasing efficiency should be solved in every section, large and small, there are no and can be no trivial things here.

The successful accomplishment of the tasks set for the sector in many ways depends on the personnel, their skills, a high degree of responsibility of the managerial personnel, the education of collectives in the spirit of an irreconcilable struggle against shortcomings and various types of negative phenomena and the further development and improvement of socialist competition for the increase of the efficiency and quality of work. During the current five-year plan it is planned to implement measures on the more complete provision of trade with skilled staffs of workers and employees, the increase of the vocational training and political education of the workers, the reinforcement of enterprises and organizations of trade and public dining with trained, politically mature management personnel with a higher and secondary specialized education. The responsibility of the workers for the strictest observance of state discipline and the regulations of trade should be increased. At the same time it is necessary to improve the conditions of their labor and daily life. Assignments on the construction of new educational institutions and dormitories for students and young specialists of trade have been set for the union republics.

The large and complex program of the development of the sector, which has been outlined for the 11th Five-Year Plan, requires the extensive development of organizing work on its fulfillment. As General Secretary of the CPSU Central Committee Comrade L. I. Brezhnev emphasized in a speech at the November (1981) CPSU Central Committee Plenum: "It is necessary to back the figures of the plan with economic and political organizational measures, which guarantee their fulfillment. Good organization, efficiency and discipline--these are the indispensable requirements both at the center and locally."

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